

**CITYPLAN '91
ECONOMIC IMPACT STUDY**

Final Report

Prepared for:

**City of Toronto Planning
and Development Department**

Prepared by:

**Stephen Chait Consultants Ltd.
Cumming Cockburn Limited**

March 5, 1992

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March 5, 1992

Mr. Robert E. Millward
Commissioner of Planning and Development
City of Toronto
20th Floor, East Tower, City Hall
Toronto, Ontario
M5H 2N2

Dear Mr. Millward:

Re: Economic Impact Study of Cityplan '91

With this letter we are pleased to submit our final report outlining the results of our examination of the economic impacts of the major proposals in Cityplan '91 in four key areas:

1. Impacts of the financial exactions proposals on real estate prices and development in the City of Toronto, especially the Central Area,
2. Impacts on the attractiveness of the City of Toronto as a place to live, work, and invest,
3. Impacts on the urban structure and development initiatives of the City of Toronto and the Greater Toronto Area,
4. Impacts of the major proposals on the City of Toronto's fiscal position and tax base.

The study was carried out for the Department of Planning and Development by Stephen Chait Consultants Ltd. (management consultants), in collaboration with Cumming Cockburn

Limited (planning consultants). The work was conducted over a three-month period incorporating four stages of inquiry, analysis, development of preliminary findings and their verification, and preparation of the final report.

An executive summary highlighting the study's findings and conclusions precedes the report text.

We are pleased to provide the City of Toronto with the results of our review of the economic impacts of Cityplan '91, and we look forward to participating in any discussions regarding the implementation of the City's Official Plan.

Respectfully submitted,

Stephen Chait, C.M.C.
President

*Cityplan '91 Economic Impact Study***Background**

The City of Toronto Planning and Development Department released the Cityplan '91 Proposals report in June 1991. City Council in September 1991 requested an economic impact study of various proposals contained in this new Official Plan for the City of Toronto.

This study concentrates on examining the cumulative economic impact of three specific Cityplan '91 proposals:

- The increased Parks Levy,
- The Housing Employment Linkage Fee,
- The development contribution for Public Art.

The purpose of this study is to evaluate the economic impact of the major proposals in Cityplan '91 in four areas:

1. Impacts of the financial exactions proposals on real estate prices and development in the City, especially the Central Area,
2. Impacts on the attractiveness of the City as a place to live, work, and invest,
3. Impacts on the urban structure and development initiatives of the City and the Greater Toronto Area,
4. Impacts of the proposals on the City's fiscal position and tax base.

The Study Approach

This study was carried out for the City of Toronto Department of Planning and Development by Stephen Chait Consultants Ltd. (management consultants), in association with Cumming Cockburn Limited (planning consultants). The study was conducted over a three-month period incorporating four stages of inquiry, analysis, development of preliminary findings and their verification, and preparation of a final report.

This economic impact report has been prepared using an analytical framework which examines the likely impacts of the Cityplan '91 proposals on the developer/builder, and the competitiveness of the City's economy. A primary analytical tool used in the analysis of impacts is the pro forma case study approach. Six case study situations have been developed to test the proposals in the City of Toronto. Similarly, pro formas of comparable building projects have been developed to compare the cost of development in the City of Toronto with emerging city centres in the Metro Toronto area. Finally, the experience of major American cities in implementing Housing Linkage Fees (a key Cityplan '91 proposal) has been examined for lessons learned.

Summary of Case Study Findings

The effect of the Housing Linkage Fee on net lease or demand factors requires an increase in net rents to offset the additional costs in the range of \$1.32/sq. ft. leaseable area for development projects in the Financial District, to \$1.40/sq. ft. leaseable area for projects in other parts of the Central Area. Assuming that the cost of the Housing Linkage Fee is not recovered in additional rents, the loss in project value would have to be recovered from supply factors of development. This loss ranges from \$11.09 per buildable sq. ft. in the Central Area (outside of the Financial District) to \$11.50 per buildable sq. ft. for Small Site Commercial projects.

The Public Art Contribution applied to buildings over 20,000 square metres (215,000 sq. ft.) requires an increase of net lease rates, for Financial District office projects, in the order of \$0.18/sq. ft. of leaseable area to offset this additional cost (assuming that costs absorbed solely through increased rents). For a Central Area Large Site project, the effect on sale prices attributed to the Public Art contribution is in the order of \$1.00/sq. ft. (assuming contribution absorbed entirely through increased sale prices).

The Parks Levy requirement for Cityplan for a large-site residential development (over 0.5 hectares), would likely be achieved on-site, in which case the financial effect of changes to the Parks Levy would be nil (however, design modifications may impact the marketability of the project). For this analysis, we have assumed a cash-in-lieu contribution requiring an increase in condominium sale prices in the order of \$13.00/sq. ft. Assuming the costs are not recovered by increases in sale prices, the decrease in project value for non-Financial District projects would be in the order of \$10.28/ buildable sq. ft.

For a small-site residential Central Area project, the Park Levy requirements would likely be in the form of a cash-in-lieu contribution because of the limited size of the development site. In this case study, an increase in sale prices in the order of \$12.00/sq. ft. would be required to offset the entire costs of the Park Levy requirements. Assuming that sale prices are not raised to recover the additional charges, the loss in project value is in the order of \$9.63/sq. ft.

The Main Streets case study shows that the exemption of this development type from the Parks Levy requirements would provide an economic benefit under Cityplan.

Other Findings And Conclusions

The approvals process

A key interest of this study is the impact certain proposed new development will have on the image and reality of the City of Toronto as a location for business. While the proposals aim for a high quality of life in Toronto for which measurement is imprecise and subjective, the extent to which an official plan facilitates an effective planning and development process can be evaluated.

The City of Toronto has currently a complex and lengthy planning process. While some of this can be attributed to the scale and diversity of some development in the City, unclear and/or discretionary requirements in the current Official Plan contribute to a planning process that can be lengthy and unpredictable. This outcome is heightened by the tendency in recent years for many developments to proceed by way of a site-specific Official Plan amendment. An inevitable end result is increased development costs because of the time associated with approvals.

In an effort to change this situation, one of the Cityplan '91 aims is to create a more orderly and predictable planning process in Toronto. Clearer and simpler planning controls and processes have been proposed. They are intended to produce a better and more equitable planning process and the changes will include measures aimed at streamlining the approval process and giving it a higher degree of predictability. Development costs should be positively impacted by the reduction in the time absorbed by the planning process in achieving development approvals in the future.

Quality of life

A great many of the policies in Cityplan '91 are collectively supportive of development intensification in the Toronto. The policies seek to improve the quality of life in the City through the creation of enhanced living environments that will attract new residents in the future. Intensification in the City of Toronto will reduce the reliance in the large Toronto region on the outlying suburban municipalities to accommodate future population growth. This will in turn reduce, to some degree, the need for new public infrastructure in these municipalities because new development generally can be serviced with the existing infrastructure in the City.

The Main Streets type of intensification is one major method the City will use to accommodate future residential growth. The benefits of this form of development are reinforcement of existing developed areas and increased utilization of current public infrastructure. The analysis of the economic impact of the Cityplan '91 proposals indicates that the economic viability of Main Streets development is enhanced by the new proposals. The Cityplan '91 proposals provide a positive incentive to Main Streets residential/mixed use development primarily by exempting it from the park dedication requirements.

The emphasis of Cityplan '91 on balanced growth is the direction that is perhaps most beneficial to neighbourhoods since it will increase the City's residential population commensurate with non-residential growth. This will ensure Toronto's neighbourhoods remain dynamic in terms of their normal residential life cycle. More importantly, the City has made provisions for actions that will provide for adequate and renewed population levels, sufficient to support healthy City activities and services. The experience in other cities has frequently been that a deterioration of a city's neighborhood fabric and its quality of life deteriorates if population levels stagnate or decline. In this regard, the City of Toronto has historically been successful in maintaining quality neighbourhoods as essential parts of its built environment.

Competitiveness

Quality-of-life factors, an educated workforce, low crime rates in comparison to its U.S. counterparts, a populated and vibrant inner city, a good educational system, an international airport, and an efficient transit system are some of the qualities cited in making Toronto a city that works and is attractive to business investment.

However, much of Toronto's success in attracting business is rooted simply in its size. As Canada's largest city, it is the winner by default, with over 3.0 million potential consumers in the surrounding Toronto area. The concentration or clustering of firms in key sectors such as the financial service sector has also spurred economic growth in the area. While Toronto is perceived locally as a "world class" city in company with New York, Chicago, and Los Angeles, the perception does not always hold true for foreign business leaders, who may relegate Toronto to secondary market status in company with cities such as Denver and Pittsburgh.

The laudable objectives of the Proposals in pursuing social development, quality of life, and environmental goals are supportive of reinforcing the enviable and high quality of urban setting and amenities which makes Toronto attractive to business. However, in financing improvements to the community expressly through new charges on commercial development, the City would be adding to the already relatively high cost level of doing business in Toronto; a cost which many businesses have indicated makes them less competitive and more inclined to seek lower priced business locations (i.e., outside of the City).

Modifications To The Proposed Charges

There are several modifications related primarily to the implementation of these three new charges that merit consideration by the City. Matters regarding the amount of the charges and the timing of their payment are the two areas that appear to be most opportune for possible modification.

The amount of each charge has generally been based on a City policy or developed through research. For example, the park charge approximates the park standard of the Official Plan and the housing linkage fee was set at a level identified in Background Report #18 as adequate to meet one half of the projected future demand for affordable housing.

While reduction of the amount of the charge would reduce the impact on development costs, it would also diminish the rate at which the City would achieve its stated and adopted goals in these matters. This trade-off would have to be considered in the light of the economic stimulus to development that reduced development costs would engender. Such an approach appears to have merit in the context of the current recession in which both the public and private sectors are reviewing and often drastically altering their cost and revenue structures to improve their economic performance and competitiveness.

Toronto should also give consideration to modifying the time at which the new charges are paid to the City. Extending the period over which developers are able to pay the charges to the City would moderate the impact of the linkage fee on the developer. The City's current proposal to require payment of the linkage fee at the time of building permit, puts this obligation at a point where the developer's revenues for the project are often at the lowest point. Boston's experience with the investment community's participation in advancing funds in return for the future revenue stream from the linkage should be examined for its applicability to Toronto and Canadian financial regulations.

An Economic Health Strategy

Many of the public objectives contained in the Cityplan '91 Proposals are designed to manage the impacts of growth on the City by making specific requirements for new development. Achievement of these items depends on continued expansion of private sector growth in the City since it not only generates these needs to some degree, it also funds the services through charges and property taxes.

In this regard, it is important for the City to ensure that the economic impacts of its proposals do not diminish the economic vitality of the business sector in the City. Small business is of particular importance since it is the most pervasive sector in our economy, the chief vehicle for new business formation and the most highly City oriented.

Similarly, large business although becoming larger and fewer in number through consolidation, is at the same time becoming more vulnerable to factors affecting its competitiveness. The City's actions should strive to support the retention and attraction of business, rather than contribute to negative business pressures. These objectives would be strengthened through a program of strategic public infrastructure investments that are supportive of sustained economic and development growth. Opportunities for greater public/private partnerships on projects or other initiatives that achieve benefits for each sector, are programs that such a strategy could articulate. This would serve as a framework for future joint action aimed at maintaining and improving Toronto's economic prospects in the future.

One method of resolving the tension between achieving the City's objectives while sustaining a healthy growth climate, is to integrate economic development goals and strategies into the Cityplan '91 Proposals. Such a component would be consistent with the various municipal strategies currently found in Cityplan '91, each of which has specific goals for progress in the areas of employment, housing and public services. As part of a larger economic development strategy for Toronto, the office sector proposals will explicitly acknowledge the importance of this activity as an essential underpinning of Toronto as a City at present and into the future.

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1. INTRODUCTION

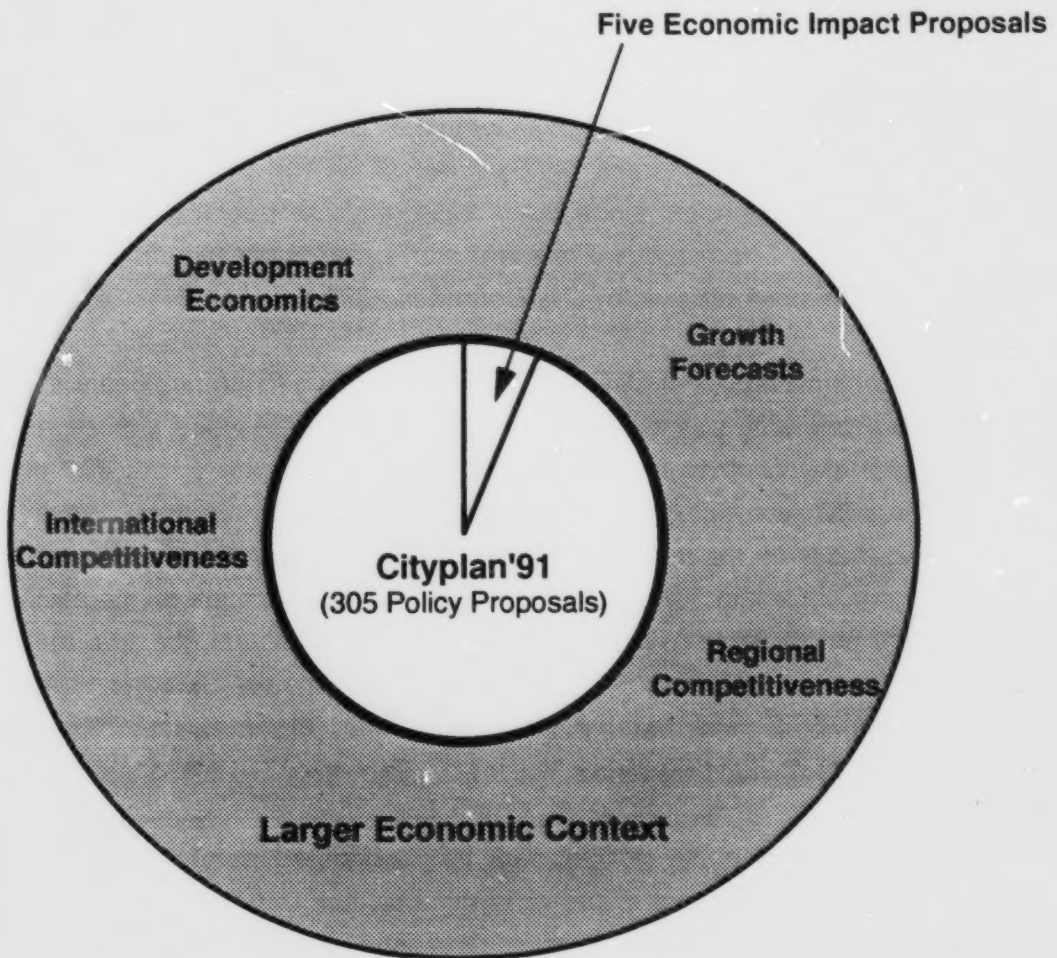
The City of Toronto Planning and Development Department released the Cityplan '91 Proposals report in June 1991. The report marked a major milestone in the Cityplan '91 process, which began in May 1989 with the goal of preparing a new Official Plan for Toronto.

Staff of the Planning and Development Department have presented 305 policy recommendations in the Proposals report. These initiatives are reflective of a two year community consultation process as well as an extensive study and research effort on specific aspects relating to planning and development in the City. As the report itself notes, the Cityplan '91 Proposals represent a beginning not an end. The next step in the process will be the submission of the report entitled Next Steps for Cityplan to Toronto's Land Use Committee and Council. In this report, Planning & Development Department staff will report on the comments received on the Cityplan '91 proposals since June 1991 through public meetings and written submissions. The report will present staff's recommended direction for the new Official Plan to be adopted by City Council in 1992.

This economic impact study limits itself to examining those proposals in Cityplan '91 that are primarily quantitative in nature. These proposals consist of a specific financial levy or charge on development. The majority of the 305 proposals in Cityplan '91 are non-quantitative and directional in nature. These normative policies focus on the major components of the City that determine the quality of life and work in Toronto. This includes policies on the environment, the physical form of the City and its spaces, transportation, parks, neighbourhoods, and the major land use categories in Toronto. While these non-quantitative policies have impacts to which economic measurement could be ascribed, this study does not assess these proposals in quantitative terms.

The impacts of these policies will be manifested most clearly as qualitative outcomes (improvement of the environment, good urban design, neighbourhoods that are pleasant, supportive, safe and healthy). This study will discuss the broader impacts of these proposals in terms of expected impacts on alternative urban structures in the City of Toronto and the Greater Toronto Area, as well as the resultant image and perception of Toronto as a city in which to live, work and invest.

***The Economic Impact Study Deals Chiefly With
Five Of The Cityplan'91 Proposals***



1.1 Study Objectives

The purpose of this study is to evaluate the economic impact of the major proposals in Cityplan '91 in four areas:

1. Impacts of the financial exactions proposals on real estate prices and development in the City, especially the Central Area,
2. Impacts on the attractiveness of the City as a place to live, work, and invest,
3. Impacts on the urban structure and development initiatives of the City and the Greater Toronto Area,
4. Impacts of the proposals on the City's fiscal position and tax base.

1.2 The Economic Proposals

This study looks at the economic impact of five specific Cityplan '91 proposals:

(i) Parks Levy for Residential Development

The Proposals Report recommends revising the City's current parks levy for new residential development. At present, Toronto requires dedication to the City for parks purposes of 5% of the land to be developed, or the cash equivalent. This rate of park dedication is considered unsuitable for meeting the parks needs of a higher density urban municipality like Toronto, since the amount of park space per unit decreases with increases in development density.

The new parks levy recommended in Cityplan '91 is based on the provisions of Section 41(3) of the Planning Act, which provide for an alternate parkland dedication in cases of residential redevelopment. The parks levy proposed by the City varies, depending on whether the lands proposed for development are smaller or larger than 0.5 hectares in area.

The Proposals Report recommends that for residential development or redevelopment of sites 0.5 hectares or larger, the park levy will consist of the

conveyance of the lesser of 1.0 hectare of land for every 830 units, or 25% of the lands exclusive of road allowances. No loss of density is associated with the conveyance. Alternatively, the City may accept payment of the cash equivalent of the required land conveyance. Such funds are to be used exclusively for parks and public recreation purposes.

This revised parks levy approximates the City's current Official Plan park standard of 0.6 hectares per 1,000 residents, for areas outside the Central Core. The objective of the new park levy is to ensure that new residential neighbourhoods meet City park standards at the time of their creation.

For sites under 0.5 hectares in area, Cityplan '91 recommends that land be conveyed for parks and public recreation uses at the rate of 1.0 hectare for every 3,330 residential units, or the cash equivalent. Exceptions include lands developed for low density residential development, social housing, low-rise mixed-use development, and specific "main streets" arterials.

(ii) Housing-Employment Linkage Fee

A housing-employment linkage fee is proposed for all new commercial development in the City. The purpose of the linkage fee is to help in achieving the City's affordable housing objectives. The fee will be set at a level sufficient to meet at least one-half of the additional need for affordable housing arising from the increase in employment resulting from new commercial development. The revenue from the linkage fee will be used to acquire land for and construct affordable housing.

The proposed linkage fee of \$107 per square metre (1990 dollars) would be applied to all new commercial development in the City, regardless of size, and paid in full at the time a building permit is issued. Developers would have the option of conveying land to the City that is sufficient for the residential units associated with the fee as an alternative to paying the linkage fee. The fee is to be indexed annually to the Toronto Census Metropolitan Area (CMA) Construction Price Index and reviewed every five years.

(iii) Changes to Public Art Contributions

The Cityplan '91 Proposals report formalizes current public art dedication practices into a policy applicable to specific types of new development. Each development project larger than 20,000 square metres would apply 1% of its construction value to on-site public art. Developments over 25,000 square metres would provide 25% of this public art levy in the form of a cash contribution to the Municipal Public Art Development Fund.

(iv) Environmental Development Performance Standards

Cityplan '91 recommends that Council prepare and adopt Environmental Performance Standards. In the interim, the Proposals report recommends that for any developments over 10,000 square metres an environmental report be completed to demonstrate how the development addresses issues including: car use reduction, waste management, indoor air quality, water conservation, noise and vibration minimization, storm water management and flood management and control. Many of these environmental issues are currently being addressed under Section 40 of the Planning Act and are made explicit in the Proposals report. The intent of the Cityplan '91 Proposals is to make the performance standards more flexible, and not to add additional costs to the existing development review process.

(v) Urban Design Guidelines

These additional studies do not significantly deviate from current City practices and therefore should not significantly affect nor alter the feasibility and approval of a new development project. It is the City's intention to conduct these studies on its own, and not to require development applicants to do their own studies.

Detailed discussions of these specific proposals are found in the respective background studies completed during the course of the Cityplan '91 process. These include:

- Housing-Employment Linkage Study, Background Report #18,
- Public Art Policy Study, Background Report #20,
- Living Downtown, Background Report #21,
- Sun, Wind, and Pedestrian Comfort, Background Report #25.

The rationale for many other proposed policies is contained in the Cityplan '91 Proposals report of June 1991. There is also a series of more general background studies that address overall aspects of the City. The conclusions of these studies form a further basis for specific policy directions found in Cityplan '91. Readers are directed to these documents for a comprehensive backdrop to the Cityplan '91 Proposals report and its recommendations.

Chapter 2 of this study contains the pro forma analysis of the three Cityplan '91 proposals which would establish new charges and conditions for development projects. The explicit costs of the Housing-Employment Linkage Fee, the new Parks Levy for residential development, and the Public Art contribution have been attributed in full. As it is the stated objective of the City not to require development applicants to conduct any environmental studies not already included in the existing application review process, and not to charge development applicants for the urban design studies contemplated under Cityplan, no new costs have been attributed for these purposes in the pro forma analysis.

1.3 The Study Process

This study was carried out for the City of Toronto Department of Planning and Development by Stephen Chait Consultants Ltd. (management consultants), in association with Cumming Cockburn Limited (planning consultants). The study was conducted over a three-month period incorporating four stages of inquiry, analysis, development of preliminary findings and their verification, and preparation of a final report.

During the inquiry stage, and again at the verification stage, efforts were made to consult with knowledgeable persons and organizations who could provide expertise and constructive criticism regarding our study methodology and findings.

2. METHODOLOGY AND APPROACH

This economic impact report has been prepared using an analytical framework which examines the likely impacts of the Cityplan '91 proposals on the developer/builder, and the competitiveness of the City's economy. A primary analytical tool used in the analysis of impacts is the pro forma case study approach. Six case study situations have been developed to test the proposals in the City of Toronto. Similarly, pro formas of comparable building projects have been developed to compare the cost of development in the City of Toronto with emerging city centres in the Metro Toronto area. Finally, the experience of major American cities in implementing Housing Linkage Fees (a key Cityplan '91 proposal) has been examined for lessons learned.

2.1 Analytical Criteria

The analysis of the economic impacts of the three key Cityplan proposals is conducted using an analytical framework designed to take into account the areas of likely impact arising from the implementation of the proposals now under consideration by the City. These areas of impact include:

(i) Economic/Direct Cost Impacts

The analysis of direct economic and cost impacts focuses on the impact on the developer/builder, the building owner and tenant, and the City. The analysis of these impacts addresses the following issues and indicators:

- Project feasibility and the cost of development,
- Office development operating costs,
- Land values,
- Job creation,
- Municipal financial implications.

In each case (described later in this chapter), the focus of the analysis is on determining the one-time and likely on-going cost implications of the Cityplan

proposals, the competitive implications versus comparable situations elsewhere in the Metropolitan Toronto area, and the experience of cities who have introduced similar proposals.

(ii) Competitiveness Impacts

The analysis of these impacts includes the following issues and indicators:

- Quality of life,
- Competitiveness,
- Security and confidence.

(iii) Other Impacts

The analysis also addresses the impacts on the urban structure and development initiatives of the City and of the Greater Toronto Area.

2.2 Case Study Approach

The case study approach is used to analyze the economic impacts. Six case study situations have been developed based on four sites/development situations within the City of Toronto that would be most directly affected by the fees, charges, and exactions proposed in Cityplan. Industrial case studies are not included as it was determined that the major Cityplan '91 proposals having direct financial impact on development (i.e., Housing Linkage fee, Public Art charge, and Parks levy) would not have a direct financial impact on new industrial development.

(i) Financial District

An office-only case study is used to examine the impacts of the proposals on premium quality office space development in the prime office development area of the City and the Metropolitan region.

(ii) Central Area Outside Of Financial District

Three case studies are prepared to examine the impacts on condominium residential-only development (2 case studies; small site and large site), and on

office-only development located on a theoretical site situated in the Bay/College area.

(iii) "Main Streets" Style Development

A case study concerning a Danforth Avenue site with a project mix of retail and condominium residential uses is used to examine the impact of the proposals on a mixed-use, Main Streets project.

(iv) Small Site Commercial Development

A case study concerning a Davenport Road site with a project mix of office and retail uses is used to examine the impact of the proposals on a small commercial project.

2.3 Other Comparisons

In addition to the case study examples referred to above, two other sets of comparisons were completed in the course of preparing this report. Both of these comparisons involve contrasting the Cityplan proposals with situations in competitive municipalities.

(i) City Centres In The Metropolitan Toronto Area

The case study analysis of the impact of Cityplan proposals on new office projects in Toronto's Financial District is replicated for city centre situations in North York, Scarborough, and Mississauga. These three suburban city centres represent the location of the highest density commercial development outside of the Financial District.

(ii) Housing Linkage Fee Experience In The U.S.A.

The experience of major American cities is examined, primarily in Boston and San Francisco. These cities were among the first major cities to adopt Housing Linkage fees.

The results of these analyses are presented in Chapters Three, Four, and Five.

Exhibit 3.1

Case Studies

Development Area	Site Area	Density	Development Type	Gross Floor Area (sq.ft.)
<u>Financial District</u>				
Bay Street	0.75 acres 32,670 sq.ft.	8.0	Office	261,360
<u>Central Area – Outside Financial District</u>				
Bay/College	0.5 acres 21,780 sq.ft.	4.5	Office	98,010
Bay/College (Large Site)	1.5 acres 65,340 sq.ft.	7.8	Res. Condo (479 units)	509,652
Bay/College (Small Site)	0.5 acres 21,780 sq.ft.	7.8	Res. Condo (160 units)	169,884
<u>Main Streets</u>				
Danforth Avenue (Residential Mixed Use)	0.18 acres 8,000 sq.ft.	3.0	Res. Condo (20 units) Retail Total	16,800 7,200 24,000
<u>Small Site Commercial</u>				
Davenport Avenue	0.34 acres 15,000 sq.ft.	2.0	Office Retail Total	19,500 10,500 30,000

3. CASE STUDY ANALYSIS AND IMPACTS

The following analysis examines the financial effects of three specific charges on commercial, residential, and mixed-use development as outlined in the Proposals report including: the Housing Linkage Fee, the Public Art contribution, and the revised Parks Levy. A land residual pro forma analysis is used to test the economic sensitivity of the three charges/contributions and their effects on the financial feasibility of case study development projects in the City of Toronto.

The land residual pro forma model is applied to developer scenarios in four areas of the City of Toronto including: the Financial District, the Central Area (outside of the Financial District), a Main Streets development, and a Small Site Commercial development. The effects of the three charges on each development scenario is described in terms of their impact on demand (i.e., net rents) and on supply (i.e., costs of development).

3.1 Case Study Assumptions

In order to provide a reasonable test (i.e., objective and based on typical project costs and revenues) of the three charges, four development scenarios of various magnitudes and land use combinations are analyzed using the land residual pro forma methodology. A description of the case study characteristics is summarized in Exhibit 3.1. Analysis of the case studies is based on as-of-right development scenarios (i.e., meet current City of Toronto Official Plan and Zoning By-Law requirements and do not assume any density increase over and above the status quo conditions).

3.1.1 A Land Residual Approach

The land residual pro forma approach has been selected for this analysis because it provides the sensitivity necessary to identify the magnitude of the potential effects of the three proposed charges on new development. Simply put, the land residual approach allows for an examination of development project feasibility with and without the three proposed Cityplan charges, the difference being the additional costs/reduced feasibility or reduced costs/improved feasibility incurred as a result of



the proposed new charges.

The three charges are, in effect, fixed costs to development and, provided that other development inputs remain the same (i.e., size of the project, location, quality, etc.), the impact of the three charges will have the same absolute effect on the development's feasibility. This analysis assumes that hard cost inputs will remain constant over a range of revenue assumptions. A range of residual land values based on varying revenue assumptions (i.e., lease rates) is provided so that the relative magnitude of the three charges on development can be interpreted for a range of market revenue and land residual value conditions.

The land residual pro forma approach used in this analysis derives the residual value of land for a development using the following formula:

$$\text{Residual Land Value} = \text{Project Revenues} - \{\text{Project Costs} + \text{Developer's Profit}\}$$

For comparison purposes, land values are provided for each of the case studies. Although there have been few land sales in any of the case study areas in recent months to provide definitive land values for comparison purposes, these values serve as reasonable benchmarks (confirmed by real estate and development industry experts) against which the impact of the three Cityplan charges on new development projects can be compared. The actual land value selected for the analysis is not a primary determinant of the results of the residual analysis. Regardless of which level of land cost is used, it is held constant in examining project feasibility with and without Cityplan charges. The residual analysis focuses on the difference in the total project residual, expressed in absolute dollars.

In summary, the impact attributed to the implementation of the three proposed Cityplan charges on new development is expressed in terms of:

- The additional net lease (commercial) or sale price (residential) required to achieve equivalent land residuals for each development scenario with and without the three charges,
- Assuming impacts are not recovered through higher net lease rates or sale

Exhibit 3.2

Revenue Assumptions – Pro Forma Analysis

Assumptions	Financial District	Central Area	Main Streets	Small Site Commercial
<i>Office Revenues</i>				
Net Lease Rates (\$/sq.ft.)	\$28.00-\$35.00	\$24.00-\$30.50	\$18.00	\$15.00-\$20.00
Less: Tenant Inducements (\$/sq.ft.)	\$56.00-\$70.00	\$48.00-\$61.00	\$36.00	\$30.00-\$40.00
Underground Pkg. (\$/space)	\$4,000	\$4,000	n/a	n/a
Capitalization Rate	7.5%	8.0%	8.0%	8.0%
<i>Retail Revenues</i>				
Net Lease Rates	n/a	n/a	\$28.00	\$25.00-\$30.00
Less: Tenant Inducements (\$/sq.ft.)	n/a	n/a	\$56.00	\$50.00-\$60.00
Underground Pkg. (\$/space)	n/a	n/a	n/a	n/a
Capitalization Rate	n/a	n/a	8.0%	8.0%
<i>Residential Condominium Revenues</i>				
Average Unit Size (sq.ft.)	n/a	1,000	800	n/a
Net Sale Prices (\$/sq.ft.)	n/a	\$220-\$290	\$160-\$220	n/a
Underground Pkg. (\$/space)	n/a	\$25,000	n/a	n/a

price, the impacts are expressed in terms of the loss in project value resulting from the application of the three charges. This loss in project value would alternatively be absorbed through the development's least mobile factors of production including for example, lower residual land value.

Though not expressed specifically in the following analysis, the impacts of the three charges could also be attributed to a combination of demand and development production factors, depending on the market conditions of demand and supply and their ability to absorb additional financial impacts.

3.1.2 Detailed Cost Assumptions

The case studies are identified by their location in the City, land use mix, site area, and density of development. Each of the case studies provides information regarding building type, cost and revenue assumptions, project revenues, and project costs. For each of the development scenarios, two residual land values have been derived based on cost assumptions with and without the three Cityplan charges.

For each of the case studies, revenue assumptions were varied to provide sensitivity to the effect of the three Cityplan '91 charges on residual land values. It was assumed that the cost of constructing a building would remain fairly stable over the range of revenue assumptions. Major cost and revenue assumptions for these case studies are highlighted in Exhibits 3.2 and 3.3.

Hard costs reflect differing quality requirements, size, and location of development. Soft costs have been assumed as a percentage of hard costs. For residential condominium case studies, a one-time administration fee has been assumed (i.e., condominium registration and condominium board set-up fees).

The City of Toronto's current development fees have been included under soft costs. These charges include:

- Building Permit fees assumed at 1% of hard costs,

Cost Assumptions – Pro Forma Analysis

Assumptions	Financial District	Central Area	Main Streets	Small Site Commercial
<u>Hard Costs:</u>				
<u>Building Costs (\$/sq.ft.)</u>				
Office	\$120.00	\$100.00	\$80.00	\$80.00
Retail	n/a	n/a	\$60.00	\$60.00
Residential	n/a	\$85.00	\$80.00	n/a
Cost Per Elevator	\$100,000	\$100,000	\$75,000	\$75,000
Underground Parking (\$/space)	\$20,000	\$20,000	n/a	n/a
Landscaping Costs: Based on \$610 per linear foot for commercial case studies and \$500 per unit for residential case studies converted in analysis to \$/sq.ft. of site area value.				
Servicing: Based on building connection to City services @\$10,000 per building.				
<u>Soft Costs:</u>				
		<u>As % of Hard Costs</u>		
Architecture and Engineering Fees		5.0%		
Legal Fees		1.0%		
Contingency Fees		5.0%		
Construction Management Fees		5.0%		
<u>Parking Cash-In-Lieu:</u>				
	Main Streets	\$8,161	/space	
	Small Site Commercial	\$8,161	/space	
Condominium Administration Fees		\$50,000	/Residential Building	
<u>City of Toronto Development Charges:</u>				
Building Permits		1.0%	of Hard Costs	
Parks Levy	Commercial	2.0%	of land value cash-in-lieu	
	Residential	5.0%	of land value cash-in-lieu	
Sewage Impost Fee		\$0.70	/sq.ft. GFA	
<u>Cityplan Charges:</u>				
	Housing Linkage Fee	\$10.0	/sq.ft. GFA	
	Public Art Contribution	1.0%	\$ Construction	
	Parks Levy	(see text)		
<u>Other Costs:</u>				
Sales Commission	Commercial	3.0%	Capitalized Revenue Value	
	Residential	5.0%	Sale Revenues	

- Sewage Impost fee of \$0.70 per sq. ft. of gross floor area,
- Parks Levy based on cash-in-lieu value of 5% of the residential land and 2% of the commercial land. The Parks Levy has been calculated based on the following land values:

Land Value Assumptions For Calculating Parks Levy

Area	Type	Density	Land Value (\$/sq. ft.)
Financial District	Office	8.0	\$700
Central Area Outside Financial District	Res.	7.8	\$350
	Office	4.5	\$350
Main Street: Danforth Avenue	Res-Mixed	3.0	\$150
Small Site Commercial	Office/Retail	2.0	\$150

Financing charges for hard and soft costs are included to present realistic development pro forma scenarios. Land carry charges for assumed project land values are included for comparison purposes with the land residuals achieved in the pro forma analysis. The selection of financing terms does not change the relative effect of the Cityplan charges though absolute values will be affected.

Construction financing is based on 75% of the combined hard and soft costs. For this analysis, we have assumed an interest rate of 9.5% (approximately 1.5% above the current prime interest rate) compounded semi-annually, yielding an effective interest rate of 9.7%. The financing period varies depending on the size of the development including:

Length of Financing Period

Development	Construction		Land Carry
	Hard Costs	Soft Costs	
Financial District	18 months	24 months	24 months
Central Area: Residential 8x Density Office 4.5x Density	18 months	24 months	24 months
	12 months	18 months	18 months
Main Street	6 months	8 months	8 months
Small Site Commercial	6 months	8 months	8 months



In all projects, the developer will factor in a profit margin to ensure a return for the risk of investing capital in a project and for the management of the developer's assets. For this analysis, we have assumed a developer's profit rate of 15% of the land and building.

The residual land value was applied to the gross zoning area to determine the land value per buildable square foot.

The Cityplan '91 charges are calculated separately in order to gauge the impact of the charges on new development.

- The Housing Linkage Fee is applied to all commercial development at a rate of \$10 per gross zoning square foot.
- The Public Art contribution is applied to developments in excess of 20,000 square metres (or 215,000 sq. ft.) at a rate of 1% of construction hard costs.
- The Parks Levy is applied to residential development based on two standards:
 - Large sites over 0.5 hectares (1.25 acres) – Cash-in-lieu contribution is assumed based on 1.0 hectare/830 units (1.0 acre/335 units), to a maximum contribution of 25% of the site, or cash-in-lieu.
 - Small sites under 0.5 hectares – Cash-in-lieu contribution is assumed based on 1.0 hectare/3,330 units (1.0 acre/1,384 units).

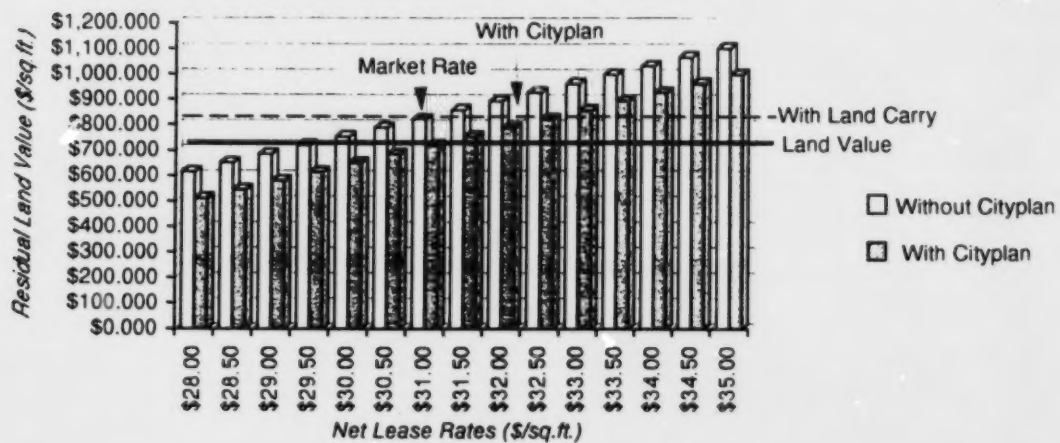
The assumed land values for each scenario are used to calculate the applicable Parks Levy. The residual land value with the three charges is calculated in absolute terms and in residual dollar per square foot of gross buildable area (i.e., gross zoning area).

3.2 Financial District Case Study

Pro formas were developed for an office use development in the Financial District assuming a site area of 0.75 acres at 8.0 times density, as permitted under current Official Plan and zoning by-law regulations. The following table summarizes the residual land values required for project development, given assumed land costs and land financing.

Residual Land Analysis Financial District. Office-Only

Residual Land Analysis - Financial District - 8x Density



Financial District Residual Land Values Assumptions
Land Residual Required For Project Development

Area	Site Area (sq. ft.)	Land Value		Yrs.	Land Carry (1)		Cost of Land+Carry		Land+ Carry	
		\$/sq. ft.	Value (\$million)		Cost (\$million)		(\$million)		\$/sq. ft.	Land Bldg.
Financial District:										
8.0x Density	32,670	\$700	\$22.869	2	\$3.327		\$26.196		\$802	\$100

Note: (1) Assuming 75% of land costs are financed at annual rate of 9.5% compounded semi-annually for an effective rate of 9.7%.

Exhibit 3.4 summarizes the resulting residual land values given a range of net lease rates. Assuming that the impacts on this case study (the Housing Linkage Fee and the Public Art Contribution) are passed through to the renters of office space, an additional net lease rate of \$1.50 per square foot of leasable area is required with the two charges to achieve a land residual equal to \$802, the assumed development threshold for this case study.

Assuming impacts are not recovered through an increase in net lease rates, then the impact of the charges would have to be absorbed by the least mobile factors of production including, for example, lower land value. Assuming that net lease rates are not adjusted as a result of the additional charges, the impact on the value of the project represented by the difference in residual values with and without the three charges is in the order of \$13.01 per buildable square foot.

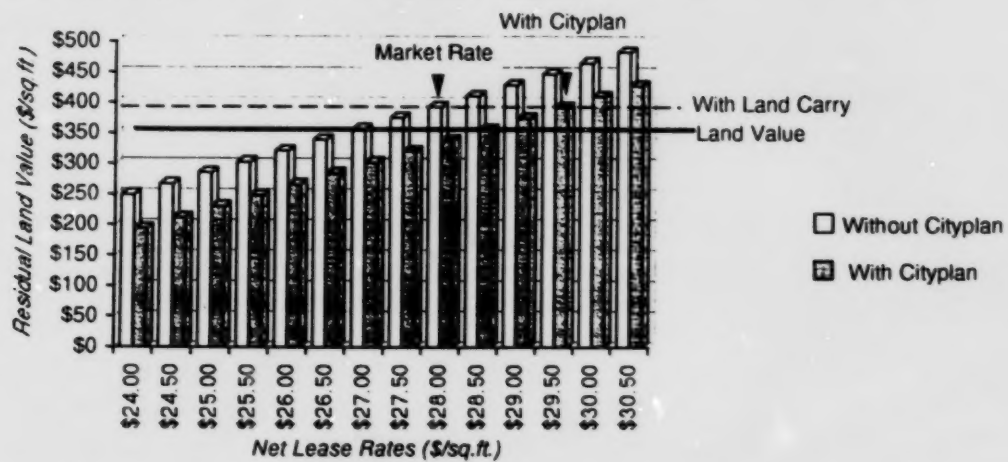
As stated earlier, the impact will likely have a combined effect on increasing the net lease rate charged and effecting the development factors necessary to bring the project to market in absorbing the loss in project value. The following table summarizes the impacts on both the demand and supply elements of the case study:

Financial District - Summary of Findings

Assuming Impact of Charges Absorbed By Net Rents Received:	
Without Cityplan Net Lease Rate Required	\$30.69/sq. ft.
With Cityplan Net Lease Rate Required	\$32.19/sq. ft.
Additional Net Lease Rate Required	\$1.50/sq. ft.

Residual Land Analysis Central Area Outside Of The Financial District Office-Only

Residual Land Analysis - Central Area Outside Financial District - Office



Financial District - Summary of Findings, contd.

Assuming Impacts of Charges Absorbed By Loss In Project Residual Value:	
Residual Without Cityplan	\$26.206 million
Residual With Cityplan	\$22.805 million
Loss In Project Value Absorbed By Development	\$3.401 million
\$/buildable sq. ft.	\$13.01/sq. ft.

**3.3 Central Area - Outside of The
Financial District Case Study**

Three scenarios are presented for this case study: an office-only project at 4.5 times density, a large site residential only project 1.5 acres in size to gauge the effect of the Parks Levy for sites over 0.5 hectares/1.25 acres, and a small site residential only project of 0.5 acres to gauge the effect of the Parks Levy for sites under 0.5 hectares.

3.3.1 Office-Only

The office-only scenario assumes a development with a site area of 0.5 acres at 4.5 times density, acceptable under current Official Plan and zoning by-law regulations. The following table summarizes the residual land values required for project development, given assumed land costs and land financing.

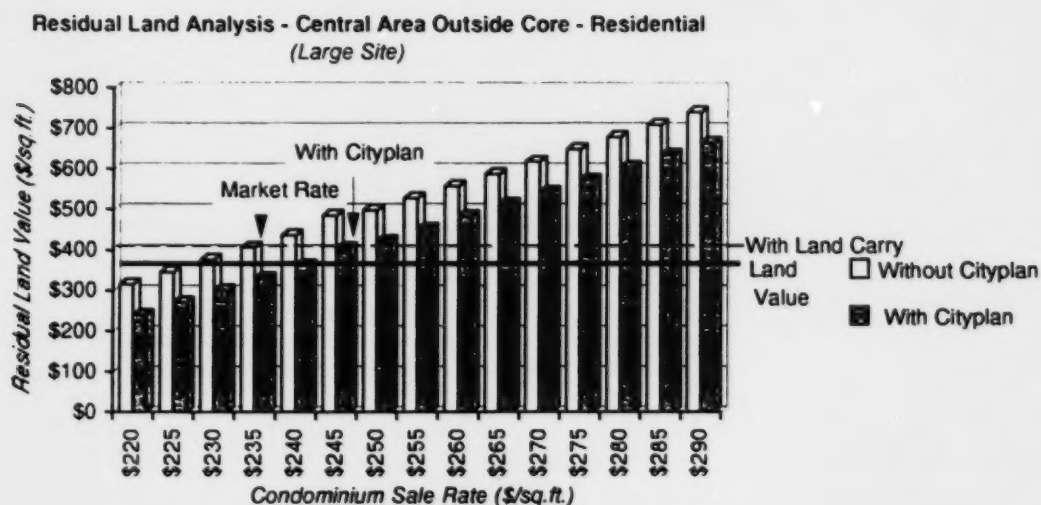
Central Area Residual Land Values Required For Project Development

Area	Site Area (sq. ft.)	Land Value		Land Carry (1)		Cost of Land+Carry (\$million)	Land+ Carry	
		\$/sq. ft.	Value (\$million)	Yrs.	Cost (\$million)		\$/sq. ft.	Land Bldg.
Central Area:								
4.5x Density	21,780	\$350	\$7.623	1.5	\$0.831	\$8.454	\$388	\$86

Note: (1) Assuming 75% of land costs are financed at annual rate of 9.5% compounded semi-annually for an effective rate of 9.7%.

Exhibit 3.5 summarizes the resulting residual land values given a range of net lease rates. In this case study, only the Housing Linkage Fee is added to development costs as a result of Cityplan. Assuming that the impact of the Housing Linkage Fee on this case study is attributed solely to demand elements(i.e., net lease rate that

Residual Land Analysis **Central Area Outside Of The Financial Core** **Large Site, Residential-Only**



office renters incur), an additional net lease rate of \$1.40 per square foot of leasable area is required with the three charges to achieve a land residual equal to \$388, the assumed development threshold for this scenario.

The loss in project residual land value that would be absorbed entirely by the production factors required to bring the development to market, represented by the difference in residual values with and without the three charges, is in the order of \$11.09 per buildable square foot. The following table summarizes the impacts on both the demand and supply elements of the case study:

Office Only - Summary of Findings

<u>Assuming Impact of Charges Absorbed By Net Rents Received:</u>	
Without Cityplan Net Lease Rate Required	\$27.89/sq. ft.
With Cityplan Net Lease Rate Required	\$29.29/sq. ft.
Additional Net Lease Rate Required	\$1.40/sq. ft.
<u>Assuming Impacts of Charges Absorbed By Loss In Project Residual Value:</u>	
Residual Without Cityplan	\$8.456 million
Residual With Cityplan	\$7.369 million
Loss In Project Value Absorbed By Development	\$1.087 million
\$/buildable sq. ft.	\$11.09/sq. ft.

3.3.2 Large Site Residential Condominium

The large-site residential condominium scenario assumes a development with a site area of 1.5 acres at 7.8 times density, acceptable under current Official Plan and zoning by-law regulations. The following table summarizes the residual land values required for project development, given assumed land costs and land financing.

Central Area Residual Land Values Required For Project Development

Central Area	Site Area (sq. ft.)	Land Value		Land Carry (1)		Cost of Land+Carry (\$million)	Land+ Carry	
		\$/sq. ft.	Value (\$million)	Yrs.	Cost (\$million)		\$/sq. ft.	
@ 7.8x Density	65,340	\$350	\$22.869	2.0	\$3.327	\$26.196	\$400	\$51

(1) 75% of land costs financed at annual rate of 9.5% compounded semi-annually for an effective rate of 9.7%.

Exhibit 3.6 summarizes the resulting residual land values, given a range of condominium sale rates. This analysis assumes additional charges related to a Parks Levy cash-in-lieu contribution and a Public Art contribution. However, it is



more likely that on large sites such as this, the Parks provision could be accommodated on-site, in which case the impact of the Parks Levy is close to nil.

Assuming that the impact of the Parks Levy on this case study is applied as a cash-in-lieu exaction and a Public Art contribution is attributed solely to demand elements (i.e., sale prices for each unit), an increase in price of \$14.00 per square foot of leasable area is required to achieve a land residual equal to \$400, the assumed development threshold for this case study.

The loss in project residual land value that would be absorbed entirely by the production factors required to bring the development to market, represented by the difference in residual values with and without the three charges, is in the order of \$11.56 per buildable square foot. The following table summarizes the impacts on both the demand and supply elements of the scenario:

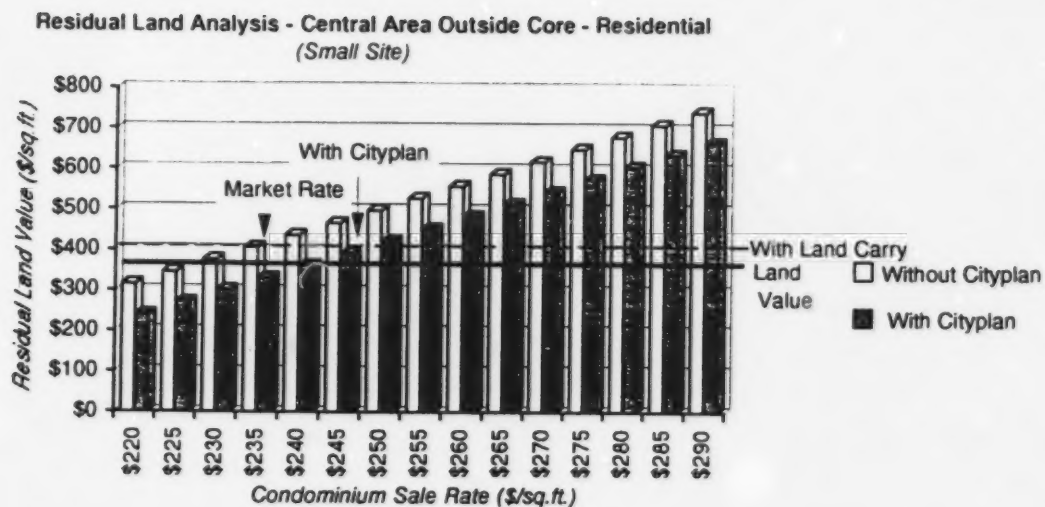
Large Site/Residential Only – Summary of Findings

<u>Assuming Impact of Charges Absorbed By Net Rents Received:</u>	
Without Cityplan Condo Sale Rate Required	\$232.00/sq. ft.
With Cityplan Condo Sale Rate Required	\$246.00/sq. ft.
Additional Condo Sale Rate Required	\$14.00/sq. ft.
<u>Assuming Impacts of Charges Absorbed By Loss In Project Residual Value:</u>	
Residual Without Cityplan	\$26.563 million
Residual With Cityplan	\$20.675 million
Loss In Project Value Absorbed By Development	\$5.888 million
\$/buildable sq. ft.	\$11.56/sq. ft.

3.3.3 Small Site Residential Condominium

The small-site residential condominium scenario assumes a development with a site area of 0.5 acres at 7.8 times density, acceptable under current Official Plan and zoning by-law regulations. The following table summarizes the residual land values required for project development, given assumed land costs and land financing.

Residual Land Analysis Central Area Outside Of The Financial Core Small Site, Residential-Only



Central Area Residual Land Values Required For Project Development

Area	Site Area (sq. ft.)	Land Value		Land Carry (1)		Cost of Land+Carry (\$million)	Land+ Carry	
		\$/sq. ft.	Value (\$million)	Yrs.	Cost (\$million)		\$/sq. ft.	Land Bldg.
Central Area:								
7.8x Density	21,780	\$350	\$7.623	2.0	\$1.109	\$8.732	\$400	\$51

Note: (1) Assuming 75% of land costs are financed at annual rate of 9.5% compounded semi-annually for an effective rate of 9.7%.

Exhibit 3.7 summarizes the resulting residual land values given a range of condominium sale rates. In this scenario, it is unlikely that the Parks provision under Cityplan could be accommodated on-site and therefore a cash-in-lieu Parks contribution is likely. Assuming that the impact of the Parks Levy on this case study is attributed solely to demand elements (i.e., sale rates for each unit), an increase in price of \$12.00 per square foot of leasable area is required with the three charges to achieve a land residual equal to \$400, the assumed development threshold for this case study.

The loss in project residual land value that would be absorbed entirely by the production factors required to bring the development to market, represented by the difference in residual values with and without the three charges, is in the order of \$9.63 per buildable square foot. The following table summarizes the impacts on both the demand and supply elements of the scenario:

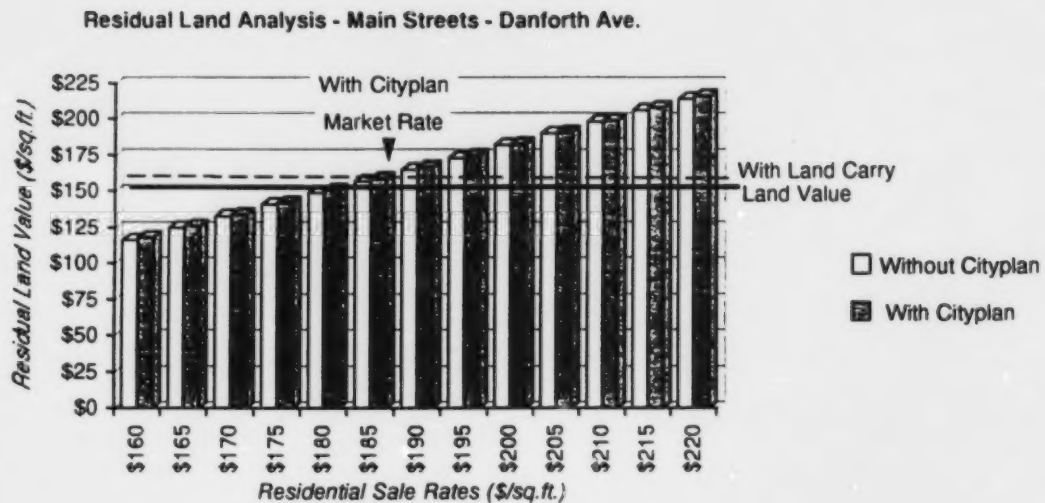
Small Site/Residential Only - Summary of Findings

<u>Assuming Impact of Charges Absorbed By Net Rents Received:</u>	
Without Cityplan Condo Sale Rate Required	\$235.00/sq. ft.
With Cityplan Condo Sale Rate Required	\$247.00/sq. ft.
Additional Condo Sale Rate Required	\$12.00/sq. ft.
<u>Assuming Impacts of Charges Absorbed By Loss In Project Residual Value:</u>	
Residual Without Cityplan	\$8.720 million
Residual With Cityplan	\$7.083 million
Loss In Project Value Absorbed By Development	\$1.636 million
\$/buildable sq. ft.	\$9.63/sq. ft.

3.4 Main Streets Case Study

The Main Streets case study assumes a residential/retail development along Danforth Avenue with a site area of 0.18 acres at 3.0 times density, permitted under

Residual Land Analysis Main Streets Development – Danforth Avenue Mixed-Use Residential & Retail



current Official Plan and zoning by-law regulations. The following table summarizes the residual land values required for project development given assumed land costs and land financing or carrying period.

Main Streets Residual Land Values Required For Project Development

Area	Site Area (sq. ft.)	Land Value		Land Carry (1)		Cost of Land+Carry (\$million)	Land+ Carry	
		\$/sq. ft.	Value (\$million)	/rs.	Cost (\$million)		\$/sq. ft.	Land Bldg.
Main Streets - Danforth Avenue:								
3.0x Density	8,000	\$150	\$1.200	0.6	\$0.058	\$1.258	\$157	\$52

Note: (1) Assuming 75% of land costs are financed at annual rate of 9.5% compounded semi-annually for an effective rate of 9.7%.

For this analysis, retail lease rates were held constant while residential sale prices were varied to show the impact of the Housing Linkage Fee and the Park Levy requirements on residential development for a Main Streets site. Exhibit 3.8 summarizes the resulting residual land values, given a range of condominium sale rates. The net impact on both condominium sale rates and residual project value in fact provides a economic benefit with the Cityplan development assumptions. This benefit is attributable primarily to the exclusion of Main Streets projects from the Parks Levy requirements.

Main Streets - Summary of Findings

<u>Assuming Impact of Charges Absorbed By Sales Revenue Received:</u>	
Without Cityplan Condo Sale Rate Required	\$186.00/sq. ft.
With Cityplan Condo Sale Rate Required	\$184.00/sq. ft.
Lower Condo Sale Rate Required	\$2.00/sq. ft.
<u>Assuming Impacts of Charges Absorbed By Gain In Project Residual Value:</u>	
Residual Without Cityplan	\$1.713 million
Residual With Cityplan	\$1.726 million
Gain In Project Value Absorbed By Development	\$0.012 million
\$/buildable sq. ft.	\$0.52 /sq. ft.

3.5 Small Site Commercial Case Study

The small-site arterial commercial case study assumes an office-retail development in the Davenport Road area with a site area of 0.34 acres at 2.0 times density, permitted under current Official Plan and zoning by-law regulations. The following

Residual Land Analysis Small Site Commercial Development Office & Retail Only

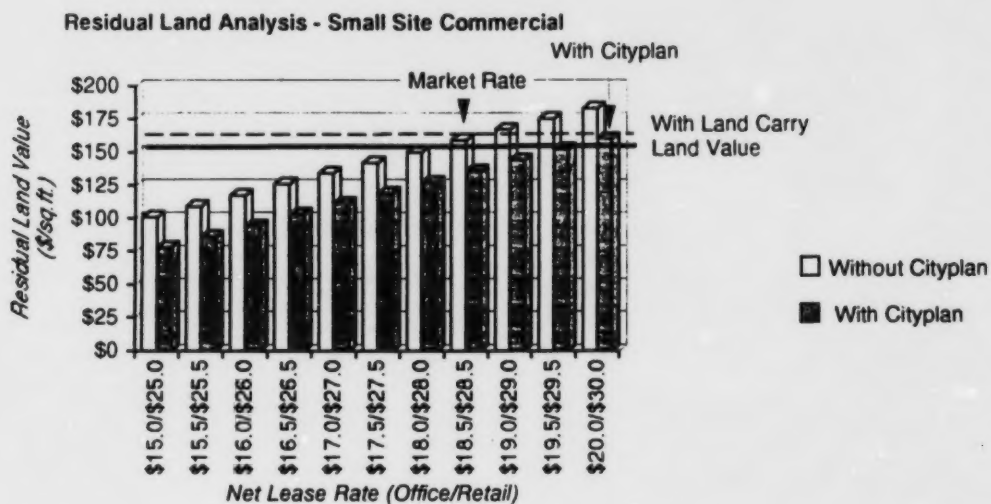


table summarizes the residual land values required for project development, given assumed land costs and land financing.

**Small-Site Commercial Residual Land Values
Required For Project Development**

Area	Site Area (sq. ft.)	Land Value		Land Carry (1)		Cost of Land+Carry (\$million)	Land+ Carry	
		\$/sq. ft.	Value (\$million)	Yrs.	Cost (\$million)		\$/sq. ft.	
Small-Site Commercial - Davenport Road:								
4.5x Density	21,780	\$150	\$2.250	0.6	\$0.109	\$2.359	\$157	\$78

Note: (1) Assuming 75% of land costs are financed at annual rate of 9.5% compounded semi-annually for an effective rate of 9.7%.

Exhibit 3.9 summarizes the resulting residual land values given a range of net lease rates. In this analysis, applicable Cityplan charges are limited to the Housing Linkage Fee. This analysis assumes a difference in office and retail lease rates of \$10.00 per square foot. Assuming that the impact of the Housing Linkage Fee on this case study is attributed solely to demand elements (i.e., rents to occupants), an additional net lease rate of \$1.40 per square foot of leasable area is required with the three charges to achieve a land residual equal to \$157.00, the assumed development threshold for this case study.

The loss in project residual land value that would be absorbed entirely by the production factors required to bring the development to market, represented by the difference in residual values with and without the three charges, is in the order of \$11.50 per buildable square foot. The following table summarizes the impacts on both the demand and supply elements of the case study:

Small Site Commercial - Summary of Findings

Assuming Impact of Charges Absorbed By Net Rents Received:		
	Office	Retail
Without Cityplan Net Lease Rate Required	\$18.42/sq. ft.	\$28.42/sq. ft.
With Cityplan Net Lease Rate Required	\$19.81/sq. ft.	\$29.81/sq. ft.
Additional Net Lease Rate Required	\$1.39/sq. ft.	\$1.39/sq. ft.
Assuming Impacts of Charges Absorbed By Loss In Project Residual Value:		
Residual Without Cityplan		\$2.751 million
Residual With Cityplan		\$2.406 million
Loss In Project Value Absorbed By Development		\$0.344 million
\$/buildable sq. ft.		\$11.50/sq. ft.

3.6 Summary of Case Study Findings

The following tables summarize the impact of the three Cityplan charges on both demand conditions (i.e., net lease rates, residential condominium sale prices) and on project residual value (\$/buildable sq. ft.).

- "Demand" conditions. The additional net lease (commercial) or sale price (residential) required to achieve equivalent land residuals for each development scenario with and without the three charges,
- "Supply" conditions. Assuming impacts are not recovered through higher net lease rates or sale price, the impacts are expressed in terms of the loss in project value resulting from the application of the three charges. This loss in project value would alternatively be absorbed through the development's least mobile factors of production including for example, lower residual land value.

Summary Of Findings

Development Type/Area	Cityplan Applied Charge	Demand Factors		Supply Factors
		Net Lease (\$/sq. ft.)	Res. Sale Rate (\$/sq. ft.)	Loss in Project Value (\$/buildable sq. ft.)
Commercial Case Studies:				
Financial District	Housing Linkage	\$1.32	n/a	\$11.46
	Public Art	\$0.18	n/a	\$1.55
	Total	\$1.50	n/a	\$13.01
Central Area	Housing Linkage	\$1.40	n/a	\$11.09
Small Site Commercial	Housing Linkage	\$1.39	n/a	\$11.50
Residential Case Studies:				
Central Area – Large Site	Parks Levy	n/a	\$13.00	\$10.28
	Public Art	n/a	\$1.00	\$1.28
	Total	n/a	\$14.00	\$11.56
Central Area – Small Site	Parks Levy	n/a	\$12.00	\$9.63
Mixed Use Case Study:				
Main Streets	Housing Linkage	n/a		
	Parks Levy		(-\$2.00) gain	(-\$0.52) gain

The effect of the Housing Linkage Fee on net lease or demand factors requires an increase in net rents to offset the additional costs in the range of \$1.32/sq. ft.

leaseable area for the Financial District Case Study to \$1.40/sq. ft. leaseable area for the Central Area Case Study. Assuming that the cost of the Housing Linkage Fee is not recovered in additional rents, the loss in project value would have to be recovered from supply factors of development. This loss ranges from \$11.09 in the Central area case study to \$11.50 for the Small Site Commercial Case Study.

The Public Art Contribution applied to buildings over 20,000 square metres (215,000 sq. ft.) requires an increase of net lease rates, for the Financial District office use case study, in the order of \$0.18/sq. ft. of leaseable area to offset this additional cost (assuming that costs absorbed solely through increased rents). For the Central Area Large Site case study the effect on sale prices attributed to the Public Art contribution is in the order of \$1.00/sq. ft. (assuming contribution absorbed entirely through increased sale prices).

The Parks Levy requirement for Cityplan for a large-site residential development (over 0.5 hectares), as in the Central Area case study, would likely be achieved on-site, in which case the financial effect of changes to the Parks Levy would be nil (however, design modifications may impact the marketability of the project). For this analysis, we have assumed a cash-in-lieu contribution requiring an increase in condominium sale prices in the order of \$13.00/sq. ft. Assuming the costs are not recovered by increases in sale prices, the decrease in project value for the case study was in the order of \$10.28/buildable sq. ft.

For the small-site residential Central Area case study, the Park Levy requirements would likely be in the form of a cash-in-lieu contribution because of the limited size of the development site. In this case study, an increase in sale prices in the order of \$12.00/sq. ft. would be required to offset the entire costs of the Park Levy requirements. Assuming that sale prices are not raised to recover the additional charges, the loss in project value is in the order of \$9.63/sq. ft.

The Main Streets case study shows that the exemption of this development type from the Parks Levy requirements would provide an economic benefit under Cityplan.

Exhibit 4.1

Metro Area Case Study Summaries

Development Area	Site Area (Acres)	Density	Development Type	Gross Floor Area (sq.ft.)	Number of Units
Toronto:					
Financial District	1.0	8.0	Office	261,360	n/a
Outside Fin. Dist.	1.0	4.5	Office	196,020	n/a
	1.0	7.8	Residential	339,768	319
	1.0	4.5	Residential	196,020	184
North York:					
City Centre	1.0	4.5	Office	196,020	n/a
	1.0	4.5	Residential	196,020	184
Scarborough:					
City Centre	1.0	4.5	Office	196,020	n/a
	1.0	4.5	Residential	196,020	184
Mississauga:					
City Centre	1.0	4.5	Office	196,020	n/a
	1.0	4.5	Residential	196,020	184

4. OTHER ECONOMIC IMPACTS

The purpose of this chapter is to examine the impacts of the proposed charges:

- On the cost of developing new office and residential projects in the City of Toronto compared with other major city centres in the Metro Toronto area.
- On the competitiveness of the City of Toronto compared to other major North American commercial centres.
- In Boston and San Francisco where Housing Linkage Fees have been in use for nearly ten years.

4.1 Competitive Situations In The Metro Toronto Area

Case studies were prepared to contrast the competitive development conditions between the City of Toronto (both with and without Cityplan '91 charges) and the city centres of the City of North York, the City of Scarborough, and the City of Mississauga. Both a residential and an office development scenario were prepared for each location and the results are summarized in Exhibit 4.1 (detailed pro formas are included in Appendix B).

Developments in the suburban centres were limited to 4.5 times coverage in order to provide a reasonable test of comparable development conditions. A 4.5 times coverage development scenario was prepared for the City of Toronto's Central Area (outside the Financial District) for both a residential and an office development (for consistency purposes in comparing the various charges) as well as an 7.8 times residential development in the Central Area and an 8.0 times density office development in the Financial District.

Cost and revenue assumptions for the pro formas of developments in suburban municipalities are summarized in Exhibit 4.2. Assumptions for the City of Toronto pro formas as presented in Chapter 3 are maintained for this analysis. Current development charges for the city centre areas were obtained from each of the suburban municipalities and are summarized in Exhibit 4.3.

2

Exhibit 4.2

Revenue Assumptions – Pro Forma Analysis Comparable Municipalities

Development Area	City of Toronto		City of North York	City of Scarborough	City of Mississauga
	Financial	Central Area			
<u>Office Revenues (\$/sq.ft.)</u>					
Net Lease Rates	\$30	\$28	\$25	\$20	\$20
Less:					
Tenant Inducements	\$60	\$56	\$50	\$40	\$40
Underground Pkg. (\$/space)	\$4,000	\$4,000	\$3,000	\$3,000	\$3,000
Capitalization Rate	7.5%	8.0%	8.0%	8.0%	8.0%
<u>Residential Condominium Revenues (\$/sq.ft.)</u>					
Net Sale Prices	n/a	\$232/\$285	\$245	\$210	\$230
Underground Pkg. (\$/space)	n/a	\$25,000	\$25,000	\$25,000	\$25,000

Cost Assumptions – Pro Forma Analysis

Development Area	City of Toronto		City of North York	City of Scarborough	City of Mississauga
	Financial	Central Area			
<u>Building Costs (\$/sq.ft.)</u>					
Office	\$120	\$100	\$100	\$100	\$100
Residential	n/a	\$85	\$85	\$85	\$85
Underground Pkg. (\$/space)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Per Elevator	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Landscaping Costs: Based on \$610 per linear foot for commercial case studies and \$500 per unit for residential case studies converted in analysis to \$/sq.ft. of site area value.					
Servicing: Based on building connection to City services @\$10,000 per building.					
<u>Soft Costs:</u>					
	<u>As % of Hard Costs</u>				
Architecture and Engineering Fees	5.0%				
Legal Fees	1.0%				
Contingency Fees	5.0%				
Construction Management Fees	5.0%				

Exhibit 4.3

Current Development Charges

Municipality	Description	Non-Residential	Residential
City of Toronto	Sewage Impost Fee	\$0.70/sq. ft.	\$0.70/sq. ft.
	Parks Levy	2% of Lands	5% of Lands
With Cityplan:	Housing Linkage Fee	\$10.00/sq. ft.	n/a
	Public Art Contribution (Buildings >20,00 sq.m.)	1% Hard Costs	1% Hard Costs
	Parks Levy:		
	Sites Over 0.5 Hectares		Lesser of 25% lands or 1 Hectare/830 units
	Sites Under 0.5 Hectares		1 Hectare/3,330 units
North York (City Centre)	City-wide Charge	\$0.83/sq. ft.	\$1,399/unit
	Yonge Centre Charge	\$1.67/sq. ft.	\$1,669/unit
	Sewage Impost	\$1.58/sq. ft.	\$1.58/sq. ft.
	Parks Levy	2% of lands	5% of lands
Scarborough (City Centre)	City Charge	\$0.79/sq. ft.	\$2,612/unit
	SPUC Charge	\$0.51/sq. ft.	\$252/unit
	Parks Levy	2% of Lands	5% of Lands
Mississauga (City Centre)	Transportation	\$1.58/sq. ft.	\$1,519/unit
	Hydro	\$0.50/sq. ft.	\$284/unit
	Other Services	\$0.21/sq. ft.	\$2,740/unit
	Storm Drainage	\$0.11/sq. ft.	\$0.11/sq. ft.
	Parks Levy	2% of lands	\$3,000/unit
	Region of Peel Charges	\$1.21/sq. ft.	\$2,785/unit

4.1.1 Impact On Office-Only Development

Under the existing development charges (i.e., pre-Cityplan), the City of Toronto is competitively positioned with regard to office development. City charges are currently below or comparable to levels of exactions in the three suburban municipalities. Toronto charges for the two office scenarios range from \$3.35/buildable sq. ft. (4.5 times coverage; Outside Financial District) to \$3.80/buildable sq. ft. (8.0 times coverage; Financial District).

By comparison, in the three suburban municipalities, charges for the office scenario range from \$3.45/buildable sq. ft. in Scarborough to \$6.46/buildable sq. ft. in Mississauga.

However, with the introduction of the Cityplan '91 charges, the City of Toronto exactions are close to three times those of the suburban municipalities, ranging from \$13.35/buildable sq. ft. (4.5 times coverage; Outside Financial District) to \$13.92/buildable sq. ft. (8.0 times coverage; Financial District). With the Cityplan '91 charges, Toronto's current competitive cost position or advantage for office development is diminished, providing opportunities for suburban municipalities to benefit at Toronto's expense and gain new sources of assessment and jobs.

4.1.2 Impact On Residential-Only Development

In the case of residential development, Toronto's development charges are currently below or competitively positioned in comparison to the three suburban municipalities. Current residential charges for Toronto in the case studies range from \$4.01/buildable sq. ft. to \$5.71/buildable sq. ft. In the three suburban municipalities, current residential charges range from \$5.06 in Scarborough to \$15.58 in Mississauga. However, factoring in the Cityplan '91 charges erodes Toronto's competitive position. The City charges for the case studies increase costs to \$12.44/buildable sq. ft.



Summary Of Impacts

<u>Development</u>		Gross Floor Area (sq. ft.)	<u>Current Charges</u>		<u>With Cityplan</u>	
Area	Type		% Costs	\$/build sq. ft	% Costs	\$/build sq. ft.
<u>Toronto:</u>						
Fin. District	Office	345,480	2.1%	\$3.80	7.2%	\$13.92
<u>Outside Fin. District:</u>						
	Office	196,020	2.4%	\$3.35	8.8%	\$13.35
	Res	339,768	2.7%	\$4.01	7.8%	\$12.44
	Res	196,020	3.8%	\$5.71	7.8%	\$12.44
<u>North York:</u>						
City Centre	Office	196,020	3.6%	\$6.43		
	Res	196,020	5.2%	\$8.12		
<u>Scarborough:</u>						
City Centre	Office	196,020	1.6%	\$3.45		
	Res	196,020	3.4%	\$5.06		
<u>Mississauga (With Region of Peel Charges):</u>						
City Centre	Office	196,020	2.9%	\$6.46		
	Res	196,020	8.4%	\$15.58		

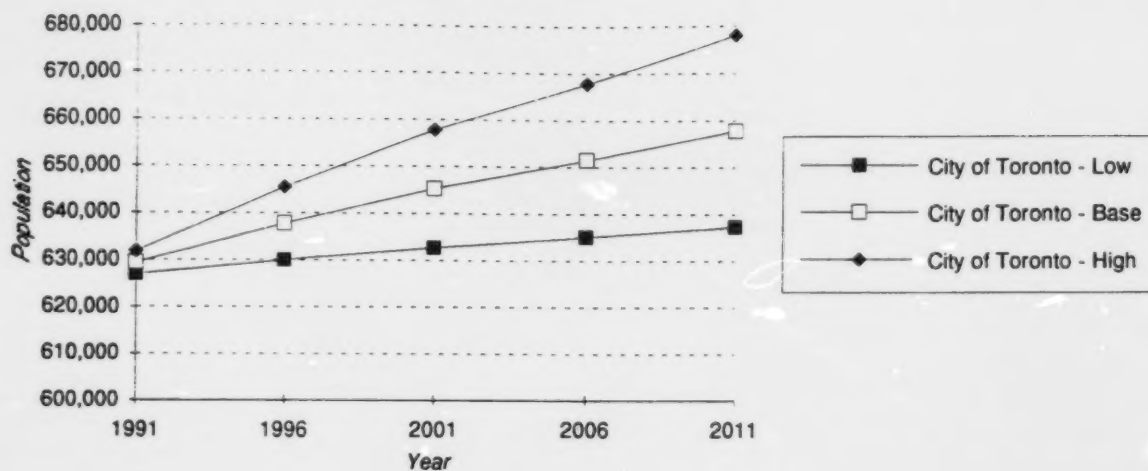
4.2 Impacts On Toronto's Competitiveness

The following evaluation of the impacts of the proposed charges on Toronto's economic competitiveness focuses on five key areas:

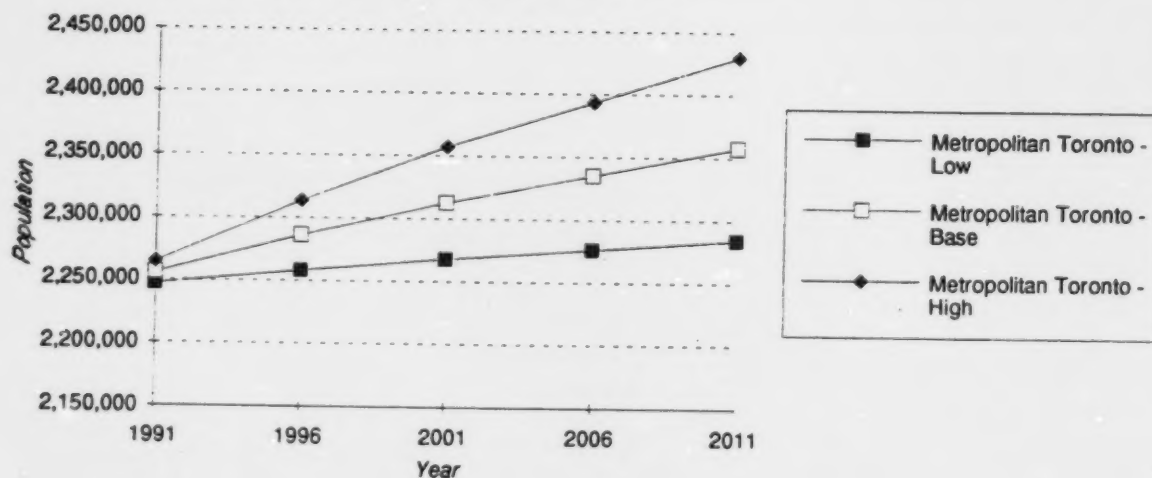
- The forecast growth in population,
- the forecast growth in office space and office employment,
- the role of Toronto's Central Area as a competitive office domain,
- the cost of doing business in Toronto,
- the other attractiveness attributes which enhance Toronto's competitiveness.

Population Forecasts

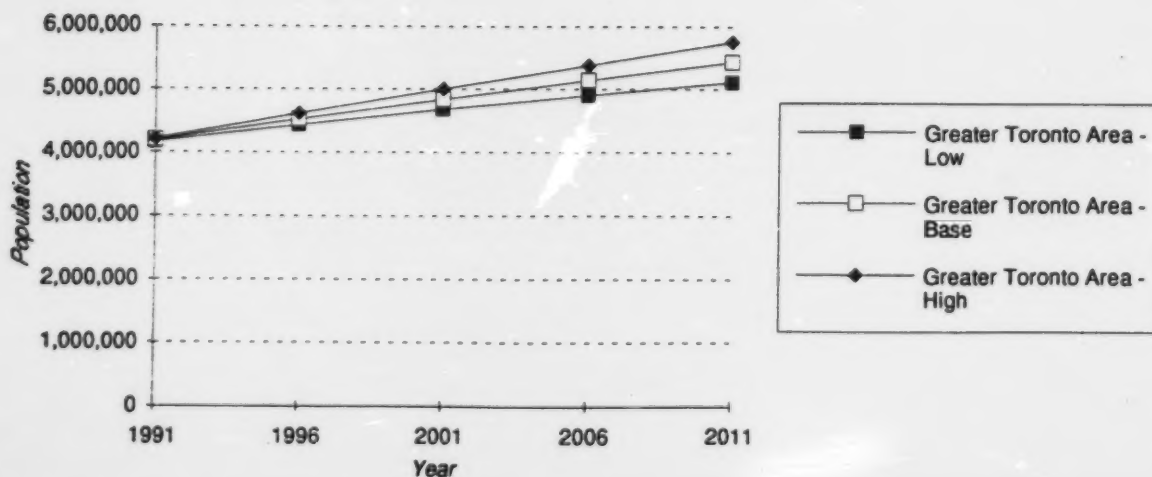
Population Projection - City of Toronto



Population Projection - Metropolitan Toronto

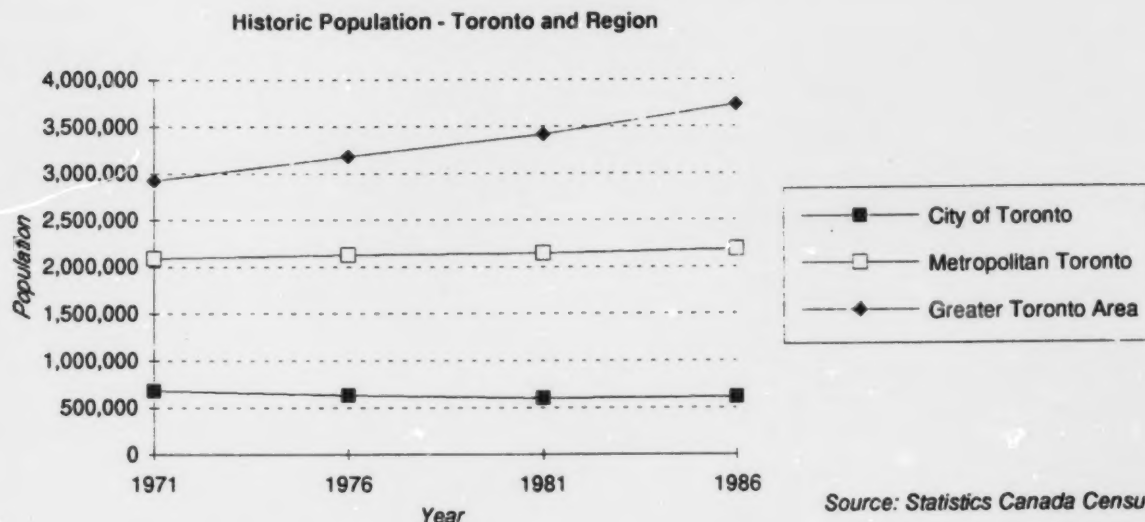


Population Projection - Greater Toronto Area



4.2.1 Forecast Growth Trends

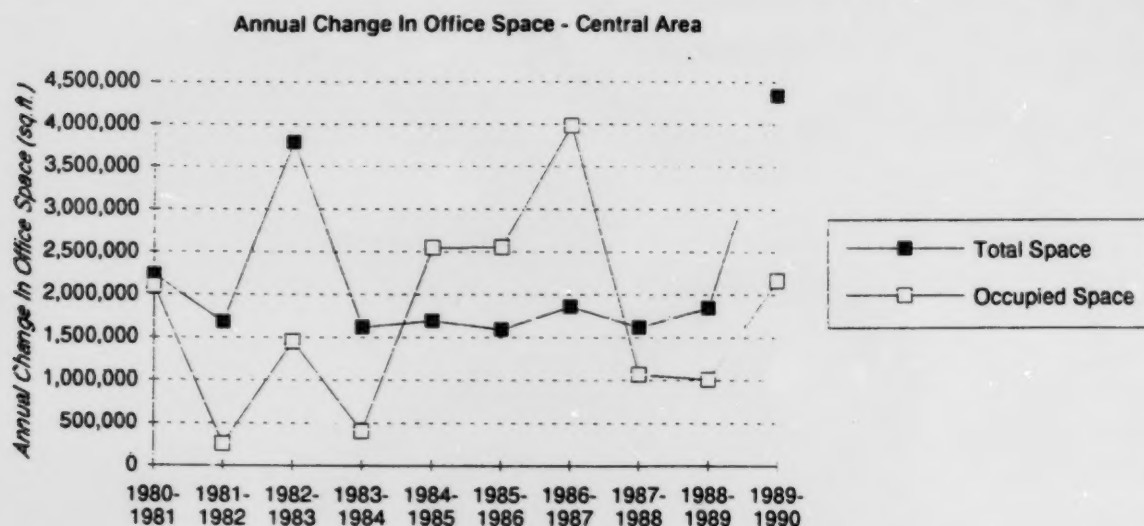
Many of the goals of Cityplan are tied to achieving a level of growth capable of financing the social objectives of the plan. In terms of population, between 1971 and 1986 the City of Toronto experienced a decline of close to 70,000 while Metropolitan Toronto increased by over 100,000 people; in the Greater Toronto Area (GTA) population increased by 800,000 persons.



Forecasts prepared for the Greater Toronto Co-ordinating Committee (GTCC) project an increase for the City of Toronto over the years 1986 to 2011 in the low scenario of 25,000 (population 637,300 by 2011), in the base scenario of 45,500 (population 657,800 by 2011), and in the high scenario of 65,700 (population 678,000 by 2011). It is an objective of Cityplan '91 to achieve a population of 725,000, close to 50,000 more than the high scenario projection used by the GTCC. The importance of providing the economic stimulus for achieving these goals becomes of greater importance, given these ambitious targets.

Total office space in the Central Area increased by close to 22.0 million sq. ft. over the 1980 to 1990 period. Change in occupied space varied over the ten-year period with demand increasing over the 1984 to 1987 period from 42.0 million sq. ft. to 51.0 million sq. ft. Change in demand declined by close to 3.0 million sq. ft. in 1987-1988 before rebounding slightly by 1990 to a level of 56.0 million sq. ft. on a total supply of 61.0 million sq. ft.





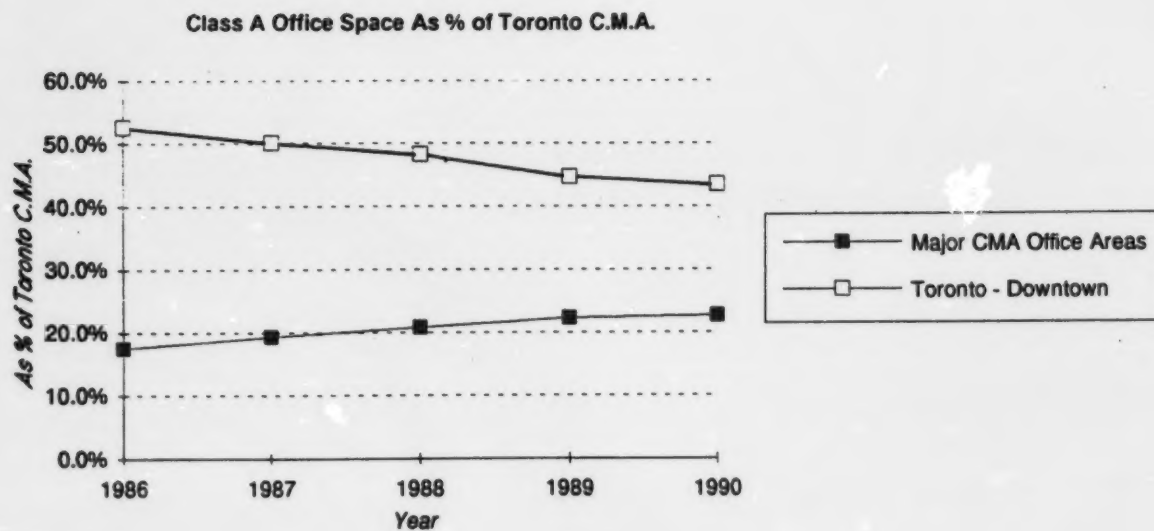
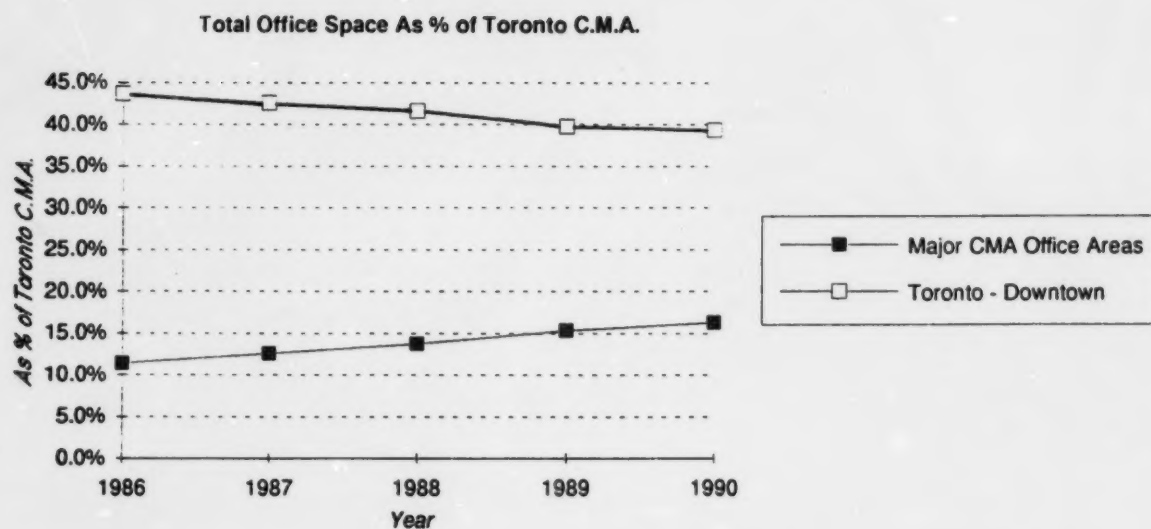
Projections prepared for the GTCC indicate that occupied office space is projected to increase over the 1991 to 2001 period by 10.0 million sq. ft. in the low scenario, 13.0 million sq. ft. in the base scenario, and 15.0 million sq. ft. in the high scenario. Between 2001 and 2011, occupied office space is projected to increase more judiciously increasing by 6.0 million sq. ft. under the low scenario, 9.0 million sq. ft. in the base scenario, and 11.0 million sq. ft. in the high scenario.

Assuming average growth of occupied office space of 1.7 million sq. ft. per year in the low scenario, 2.2 million sq. ft. per year for the base scenario, and 2.7 million sq. ft. per year in the high scenario, and inflating the housing linkage fee by 5% per annum, the theoretical revenue to be derived from Cityplan '91 ranges in the order of \$14.0 million per year under the low scenario, \$17.0 million per year with the base scenario, and \$21.0 million for the high scenario (in 1991 dollars). These forecasts compare very favourably with the Cityplan '91 projection of \$18.0 million annually from new commercial development.

Given the three office space scenarios, an additional 400,000 sq. ft. of retail space per annum would be required in the low scenario, and 100,000 sq. ft. of retail space per annum under the base scenario, to achieve the Cityplan '91 targets for the linkage fee. Under the high scenario, office development alone would exceed the targets outlined in Cityplan '91.

Exhibit 4.5

Office Space Trends



The impacts of Cityplan '91 were not factored into the GTCC forecasts of population and office space. As demonstrated earlier in this report, the dampening effects of Cityplan '91 charges on the economic viability of new office development in the Central Area (with the exception of mixed-use projects on Main Streets), and the difficult economic conditions (which affects development throughout the GTA), put the forecasts of new office space creation in dispute.

4.2.2 Offices Don't Have To Locate Downtown

Office development in suburban Toronto markets have increased considerably in recent periods. With the development of high quality, downtown-style, commercial centres in high traffic, suburban locations, the attractiveness of locating in these new city centres is increasing at the expense of traditional locations for commercial development in Toronto's Central Area.

Exhibit 4.5 illustrates the trend in Class A and total office space. Over the five-year period between 1986 and 1990, the downtown or Central Area of the City of Toronto's share of space in the Toronto Census Metropolitan Area (CMA) has declined. In absolute terms, Class A office space has increased by 7.5 million sq. ft. in the downtown area of Toronto, while similar space in other CMA commercial areas including Scarborough, Mississauga, and North York city centres, and the Markham Highway 404 corridor has increased by 8.5 million sq. ft. over the same period. The downtown's area share of the C.M.A.'s Class A office space has declined over the 1986-1990 period from 43.6% in 1986 to 39.4% in 1990. In the other C.M.A. commercial areas the share of Class A space has increased from 11.4% in 1986 to 16.3% in 1990.

Similarly, total office space in the City of Toronto's Downtown has increased by 9.0 million sq. ft. over the five year period, while total office space in the CMA centres has increased by over 10.0 million sq. ft. In share terms, the total space in Toronto's Downtown has declined from 52.6% of total space in the CMA in 1986 to 43.5% in 1990. In the other CMA commercial centres, the share has increased from 17.5% in 1986 to 22.7% in 1990.



In Cityplan background Report #8, Office Occupancy Patterns, new office construction in the Central Area is projected to total 3.1 million sq. ft. in 1992, and 1.0 million sq. ft. in 1993 and 1994. The amount of occupied office space in 1992 is projected at 57.7 million sq. ft., increasing to 62.4 million sq. ft. in 1994. Assuming a floor area per office employee average of 300 sq. ft., this projected additional 4.7 million sq. ft. in occupied space represents 15,000+ jobs over 1992-1994. Vacancy rates for office space in the Central Area are projected to increase to 16.7% in 1992, falling to 12.5% in 1994 as compared to 3.5% in 1987.

Some negative absorption in currently existing space is forecast in 1992 (2.1 million sq. ft.) as tenants move out of existing premises and into upgraded spaces, creating vacancies in formerly occupied space. Absorption in existing buildings is expected to return to positive levels by 1993 with projected absorption of 870,000 sq. ft. in 1993, and 1.7 million sq. ft. in 1994.

4.2.3 An Expensive City

The claim has been made that Toronto is already an expensive city in which to operate relative to other North American cities and therefore Toronto's fragile competitive stature is put at risk with the implementation of further charges and exactions to business.

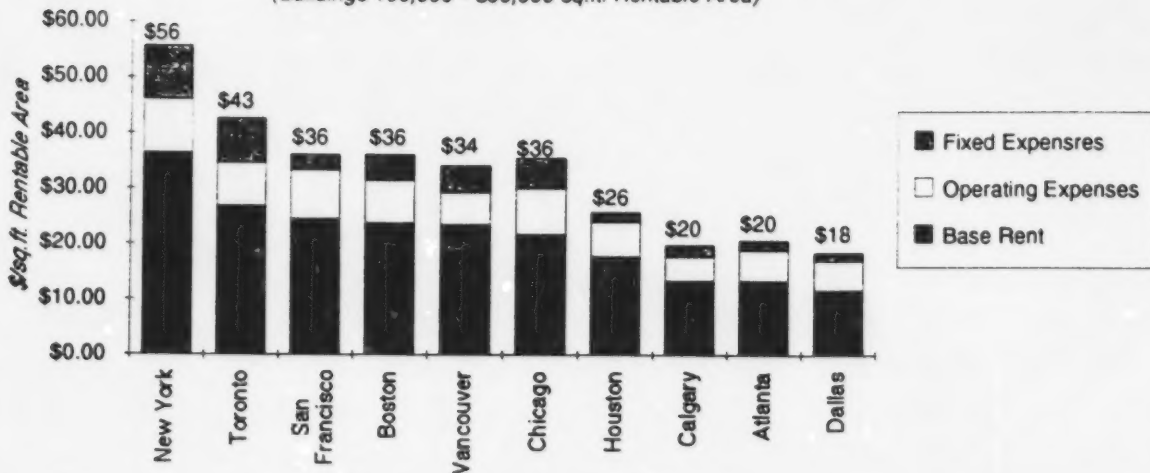
The Building Owners and Managers Association (BOMA) annual survey of operating income and expense data for office buildings throughout North America was used to examine the competitive state of the Toronto office market relative to other commercial centres (in 1990).

In comparing Toronto to other urban centres, the study looked at commercial buildings of three sizes: buildings 600,000 sq. ft. and over, buildings between 300,000 and 600,000 sq. ft., and buildings between 100,000 and 300,000 sq. ft. Within each urban centre, comparisons of base rents, and of total operating and fixed costs for a sample number of buildings within the downtown area were made. Comparisons of fixed costs, realty taxes, and other taxes on commercial development were also included. Data from U.S. sources are expressed in Canadian dollars (\$1 U.S. = \$1.15 Canadian).

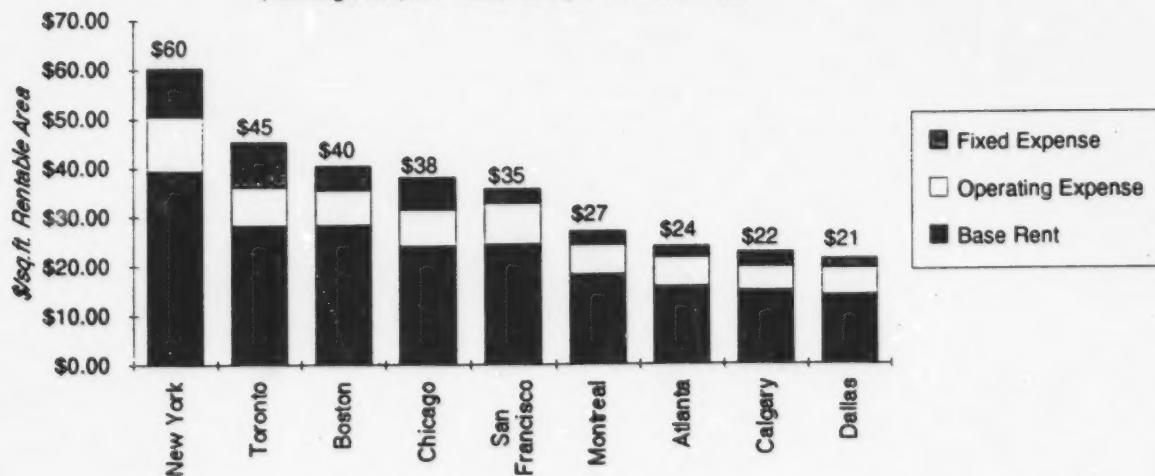
Exhibit 4.6

Office Market Comparisons

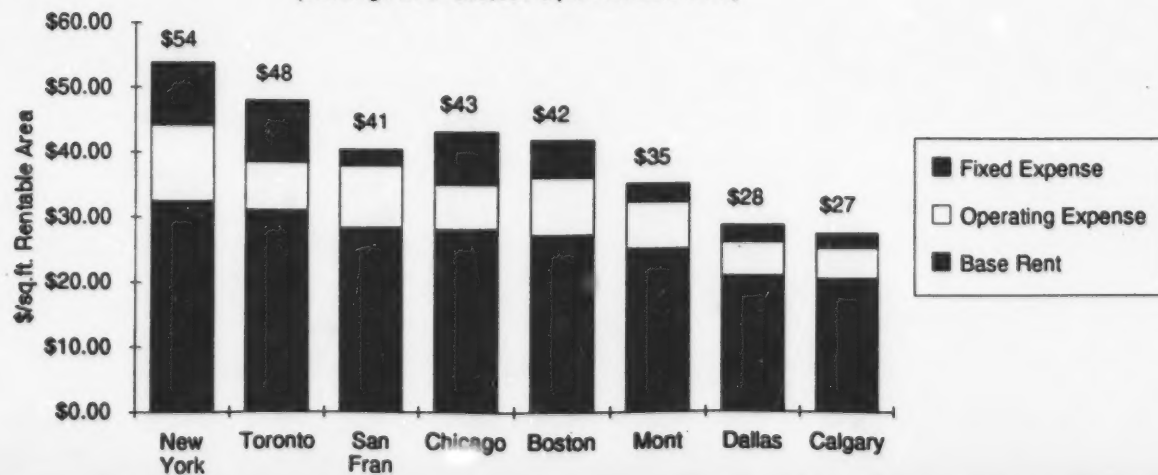
(Buildings 100,000 - 300,000 sq.ft. Rentable Area)



(Buildings 300,000 - 600,000 sq.ft. Rentable Area)

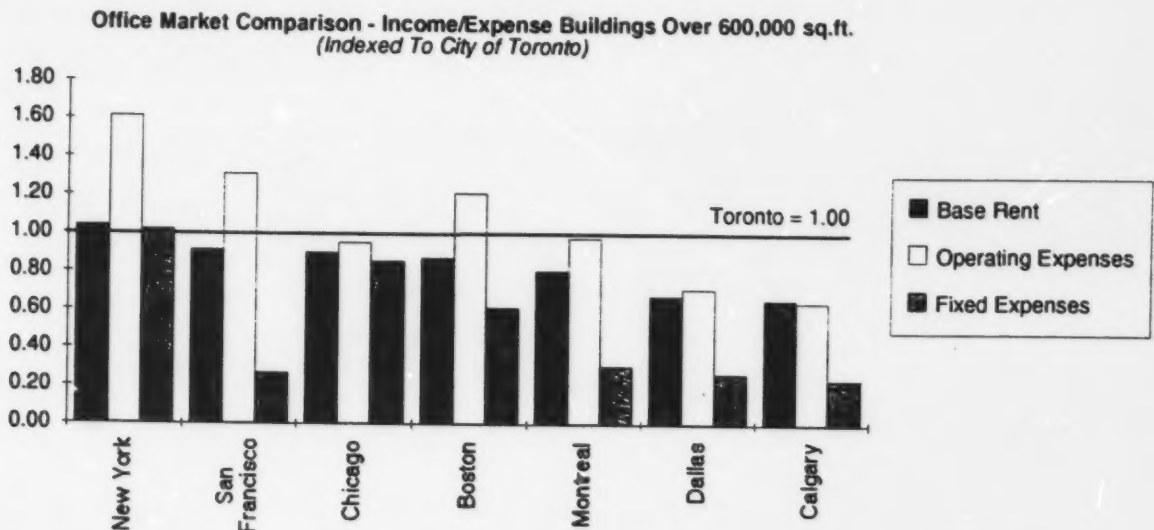


(Buildings Over 600,000 sq.ft. Rentable Area)



As indicated in Exhibit 4.6, Toronto is one of North America's most expensive office space market environment, second only to New York. Although Toronto's base rent compares very favourably with the base rent experienced in other major centres, it is due to higher fixed expenses (primarily taxes) that Toronto's gross rents are the highest in Canada, and second only to New York.

Exhibit 4.7 summarizes the income and expense characteristics in each urban centre. The graph below shows income and expense data for buildings over 600,000 sq. ft. indexed to the Toronto data (i.e., Toronto = 1.00). While base rents and operating expenses in major commercial centres such as New York, San Francisco, Chicago and Boston are fairly comparable to the Toronto market, fixed expenses are considerably higher for Toronto.



Fixed expenses in the BOMA survey consist mainly of realty taxes and include building insurance, personal property taxes, and other taxes. While operating expenses are a function of building efficiency and are therefore internal to the development, fixed costs are outside the control of the development. It is the fixed costs that provide a stronger basis for measuring the competitiveness of the commercial realty market. Apart from New York in buildings over 600,000 sq. ft., the Toronto market is 1.25 (Chicago) to 5.0 times (San Francisco) as expensive as similar buildings in other U.S. and Canadian centres.

Exhibit 4.7

Income And Expense Comparisons

Indexed To City Of Toronto

Toronto = 1.00

Building Size (sq.ft.)	Area	Base Rent (\$/sq.ft.)	Expenses (\$/sq.ft.)	
			Operating	Fixed
600,000 +	Toronto	\$31.23	\$7.28	\$9.52
	New York	1.04	1.61	1.02
	San Francisco	0.91	1.31	0.27
	Chicago	0.90	0.95	0.86
	Boston	0.87	1.21	0.61
	Montreal	0.81	0.98	0.31
	Dallas	0.67	0.71	0.27
	Calgary	0.66	0.64	0.24
300,000-600,000	Toronto	\$28.34	\$7.81	\$9.24
	New York	1.39	1.44	1.06
	Boston	1.00	0.92	0.54
	San Francisco	0.86	1.07	0.32
	Chicago	0.85	0.96	0.71
	Montreal	0.65	0.77	0.30
	Atlanta	0.56	0.77	0.24
	Calgary	0.53	0.64	0.31
	Dallas	0.50	0.71	0.20
100,000-300,000	Toronto	\$26.83	\$7.72	\$8.06
	New York	1.35	1.25	1.19
	San Francisco	0.91	1.15	0.34
	Boston	0.89	1.00	0.58
	Vancouver	0.87	0.75	0.61
	Chicago	0.81	1.08	0.68
	Houston	0.66	0.81	0.22
	Calgary	0.50	0.56	0.26
	Atlanta	0.50	0.72	0.21
	Dallas	0.44	0.69	0.18

Similarly, for buildings in the other size categories in major centres (i.e., Boston, San Francisco, and Chicago), while operating and base rents are closely comparable to the Toronto marketplace, fixed costs are measurably higher in Toronto relative to other urban centres (refer to Exhibit 4.7).

For buildings 300,000 to 600,000 sq. ft. in size, fixed expenses are 1.85 (Boston) to 5.0 times (Dallas) as high as comparable buildings in Toronto. For buildings 100,000 to 300,000 sq. ft. in size, fixed expenses are 1.5 times (Chicago) to 5.5 times (Dallas) as high as comparable buildings in Toronto.

While Toronto is comparable in terms of base rent and operating expenses to traditional and large commercial U.S. cities (i.e., Chicago, New York, and San Francisco), it remains at a cost disadvantage to the growing commercial centres in the southern states. Base rents are 1.5 times (buildings over 600,000 sq. ft.) to 2.2 times (buildings 100,000 and 300,000 sq. ft.) less expensive in Dallas and 1.75 times (buildings 300,000 to 600,000 sq. ft.) to 2.0 times (buildings 100,000 to 300,000 sq. ft.) less expensive in Atlanta for buildings of comparable size in the Toronto market. Similarly, operating expenses are 1.5 times less expensive in Dallas and Atlanta.

4.2.4 Toronto's Assessment And Tax Base

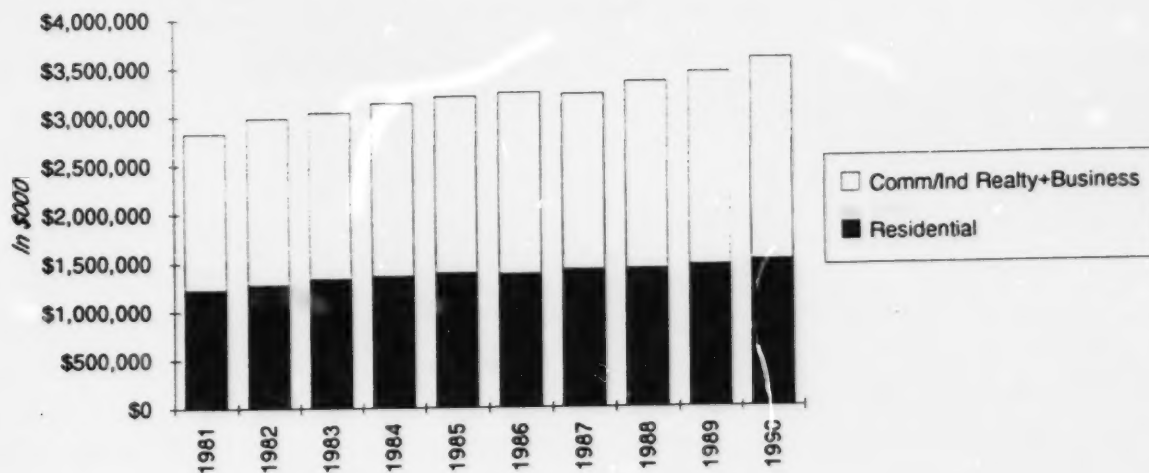
The City of Toronto has maintained a healthy and relatively stable tax base. As indicated in Exhibit 4.8, the balance between residential and non-residential assessment has been maintained at a 43/57 ratio for at least the past decade. Despite changes in the industrial composition of the City, and the previously described fluctuations in new commercial development, the City's assessment base has consistently grown and maintained its predominantly non-residential balance.

It is in the interest of the City and its ratepayers to maintain this growth and to continue to add to the non-residential tax base. Commercial growth in particular is attractive to the community, as it provides a source of taxable assessment which exceeds the cost of municipal services required to sustain it (i.e., net taxable income). The consequences of a prolonged slow-down in commercial growth in the

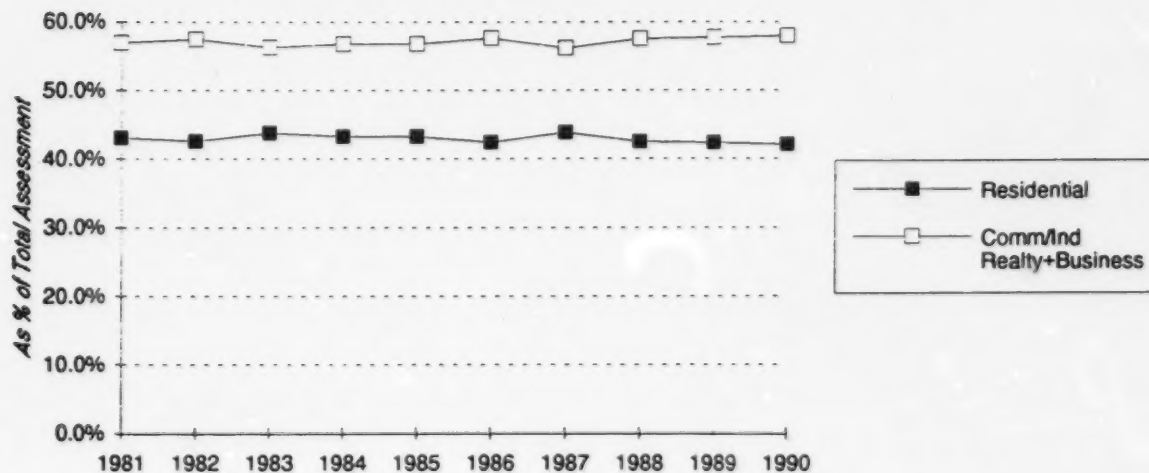
Exhibit 4.8

Assessment Trends

Residential-Commercial-Industrial Historic Assessment - City of Toronto



Type of Assessment As % of Total Assessment - City of Toronto



City, combined with the potential for new residential growth may contribute to the diminishing of the existing assessment ratio in favour of a higher level of residential assessment dependency. Given the prevailing concerns regarding the high tax environment in Toronto (and Canada), and the desire to provide opportunities for full and higher quality employment, it would not be in the City's interest to introduce new charges and levies on commercial development which may impede investment and re-investment here.

Toronto's competitive stature among North American commercial centres will be further weakened by additional exactions to development such as Market Value Assessment, scheduled for implementation by Metropolitan Toronto in January 1993.

Residential properties with tax decreases as a result of Market Value Assessment would receive the decrease in full in 1993. Tax increases to residential properties would not be implemented until either the time of sale/change in ownership of the property or the next general re-assessment (1998-2002). Similarly, for industrial properties, tax decreases would be allowed in 1993 with tax increases capped at 25% until change in ownership or the next general re-assessment.

Market Value Assessment has the potential to make a significant impact on the competitive viability of the commercial sector within the City of Toronto. Commercial properties subject to tax increases under Market Value Assessment would be charged the increase in 1993. Commercial properties subject to a tax decrease due to reassessment will be credited with a portion of the decrease in order to finance the assistance given to residential and industrial property owners. Reassessment will be based on 1988 market values, which are not yet available.

Metropolitan Toronto's estimation of the impact of market value assessment on the commercial property class, based on 1984 market values in the City of Toronto, indicates that 45% of commercial properties in the City would receive a tax increase. These increases could be severe. A survey of large commercial properties in the Financial Core prepared by the City of Toronto indicates that property taxes could increase from 31% (Standard Life Centre) to 75% (National Trust), charges that would be levied in full by 1993.

4.2.5 Other Attractiveness Factors

The qualities and values that make a city attractive for business have changed with the static or declining economic environment pervasive in many North American cities today. High on the list of qualities attributed to cities perceived as good places in which to conduct business is the ability to offer the best cost advantage or best value for business operations. In a 1991 survey of 600 executives for Fortune magazine, other qualities or attributes of cities that contributed to their economic success and pro-active business perception included:

- Flexible high quality workforce,
- Proximity to markets,
- Strong local business attitude,
- Good public education system,
- Convenient air service to key cities,
- Cost of doing business (housing, labour, facilities and taxes),
- Economic diversification,
- Efficient highway system,
- Quality of life.

The Toronto area has enjoyed the reputation of having these desirable qualities and attributes. Quality-of-life factors, an educated workforce, low crime rates in comparison to its U.S. counterparts, a populated and vibrant inner city, a good educational system, an international airport, and an efficient transit system are some of the qualities cited in making Toronto a city that works and is attractive to investment. However, much of Toronto's success in attracting business is rooted simply in its size. As Canada's largest city, it is the winner by default, with over 3.0 million potential consumers in the surrounding Toronto area. The concentration or clustering of firms in key sectors such as the financial service sector has also spurred economic growth in the area. While Toronto is perceived locally as a "world class" city in company with New York, Chicago, and Los Angeles, the perception does not always hold true for foreign business leaders, who may relegate Toronto to secondary market status in company with cities such as Denver and Pittsburgh.

The laudable objectives of the Proposals in pursuing social development, quality of life, and environmental goals are supportive of reinforcing the enviable and high quality of urban setting and amenities which makes Toronto attractive to business. However, in financing improvements to the community expressly through new charges on commercial development, the City would be adding to the already relatively high cost level of doing business in Toronto; a cost which many businesses have indicated makes them less competitive and more inclined to seek lower priced business locations (i.e., outside of the City).

4.3 The American Experience With Linkage Fees

Housing linkage programs and fees began to be implemented during the 1980s by a number of cities in the United States. In the American context, linkage fees have been seen as one way to provide for affordable housing in order to:

- Compensate for the reduction of federal housing funds,
- Mitigate the adverse impacts of new development on a city's housing supply,
- Provide for the production of housing in the downtown area in cases where other measures, such as development incentives, have not been successful.

While the production of affordable housing in association with new development has been the most common objective of American linkage programs, linkage has also been used to fund other municipal priorities such as housing rehabilitation, job training programs, and transportation improvements.

Boston and San Francisco were among the first American cities to adopt linkage fees and have the largest programs in terms of the fees collected and residential units produced. These two cities are also most comparable to the Toronto situation, given their size and the characteristics of their downtowns and office sectors.

There are several observations on housing linkage programs in the United States that should be considered in any comparison with Toronto. These are:

- Inter-related market factors.

A frequent point of interest in discussions of linkage programs is the effect on the local development community in terms of costs and the level of development activity after enactment of linkage fees.

As far as we are aware, this specific type of study has not been completed in the United States. This is most likely because local development markets, especially in the downtown, are subject to a myriad of inter-related factors which make it difficult to isolate the effect of a single factor. It would be overly simplistic to attribute major aspects of either the observed or anticipated performance of a city's office market to one factor. As a result, a housing linkage program is one of many factors to be considered in any discussion of a city's development sector. As can be seen in the cases of Boston and San Francisco, housing linkage of itself has not driven away office development.

- Importance of market demand.

The housing linkage fee is dependent on new development and therefore its success depends on the strength of the local office market and continuation of development activity. Linkage programs have operated well in Boston and San Francisco, where the political and economic climate has been favourable. Furthermore, in the case of San Francisco, public adoption of growth limits results in a constricted supply of new development opportunities in the city, which in a strong market ensures the economic strength exists to support linkage fees.

4.3.1 San Francisco

San Francisco enacted its linkage program (the Office Housing Production Program) in 1981, with a revision in 1985 (the Office-Affordable Housing Production Program). Developers of commercial office projects over 25,000 square feet are required to provide affordable housing as a condition of development. This requirement can be met through direct construction of the units, a cash contribution currently at \$7.26 per square foot of office space, or a combination of the two. Sixty-two percent (62%) of the housing must be affordable to low and moderate income residents for fifty (50) years.

San Francisco has implemented other fees including a transportation linkage fee and a day-care linkage fee. As of December 1990, 55 office projects have been subject to the linkage fee. A total of 7,270 units have been required as a condition of development and approximately \$36.0 million in developer contributions have been derived by the City.

San Francisco currently has an office vacancy rate of 10%-15%. Office development in the downtown has been severely limited by the City's enactment of a development cap of 400,000 sq. ft of office space per year. This limit, in conjunction with the relative difficulty associated with development in the city, has tended to make San Francisco relatively immune from the normal real estate boom and bust cycles experienced in other municipalities. Nevertheless, office development is currently slow in San Francisco due to the recession, the credit crunch facing major development in the United States as a result of past overbuilding, the increase in properties in default to lenders, and increased federal reserve lending requirements for development projects (lower loan-to-value-ratios).

4.3.2 Boston

The City of Boston established a housing linkage fee in 1983. This coincided with the election of Mayor Raymond Flynn who had included the establishment of a linkage program in his election platform.

Boston's program applies to a range of development projects (office, retail, hotel, institutional) over 100,000 sq. ft., requiring a zoning change. The linkage requirement can be met through cash or the construction of housing. The fee is \$6.00 per sq. ft., and is paid over a seven year period. As of 1991, approximately \$100.0 million in linkage contributions had been assessed to new development projects. Approximately 3,600 units have been produced, including 3,000 affordable units. Boston allocates \$1.00 of the linkage fee to a job training component.

The Boston Redevelopment Authority administers the linkage program and considers it to have been successful in meeting the City's objectives. We are not aware of any studies that have examined the impact of Boston's linkage program on its development market; however, historical information on office rents and vacancy

rates provide an indication of recent changes in the City's office market.

Approximately 10.0 million sq. ft. of Class A office space was added in Boston between 1987 to 1991. During this same period, the office vacancy rate has increased from 8.8% to 12.8%, while rents have dropped from \$40.00 per sq. ft. in 1987 to \$28.00 per sq. ft. in 1991. Boston's office market currently shares the recession-induced slowdown common to major North American cities. Staff at the Boston Redevelopment Authority estimate that \$25.0 million in linkage contributions may have been lost as a result of projects that will likely not be built because of the downturn in the local office market.

In 1989, the City of Boston entered into agreements with the Metropolitan Life Insurance Company and the Prudential Life Insurance Company to purchase future linkage commitments. The two insurance companies used future linkage payment streams from ten development projects as collateral for \$15.0 million in loans to the Boston Redevelopment Authority. This public/private partnership allowed Boston commence the construction of affordable housing in advance of developers paying the full stream of linkage fees.

4.3.3 Studies Of The American Experience With Linkage Fees

A limited number of studies have looked at the impact of linkage fees in American cities. These studies have generally taken the form of developer surveys to obtain their observations on how the fees affected their investment decisions and the economic performance of their development projects. This has been augmented by surveys of municipal staff for their impressions of the linkage program.

Surveys of developers in San Francisco have found that downtown development controls were not the prime factor affecting their location decisions. The market for downtown development, business climate, taxes, land and financing costs were viewed as greater factors in making location decisions.

Comparisons of the level of development approvals before and after implementation of the linkage fee in San Francisco in 1981 showed that the number of permit approvals increased after adoption of the linkage program. Downtown

of permit approvals increased after adoption of the linkage program. Downtown development has slowed since then as a result of increased vacancy rates, and a City imposed limit on the amount of downtown office space.

A review of the American experience with linkage fees, indicates that the strength of the local office development market and continued development activity has been the most important factor affecting the success of a linkage program. Studies of cities with linkage programs have shown that the linkage programs will not achieve their objectives if the local market is weak, the city is not a desirable development location, or if developers have other alternative locations for their development.

5.0 FINDINGS AND CONCLUSIONS

The findings and conclusions arising from the preceding analyses and reviews are presented in the following sections:

- Impact on the nature of growth in the Toronto region
- Impact on the attractiveness of Toronto as a place to live, work, and invest
- Modifications to the Proposed Charges
- An Economic Health Strategy.

5.1 Impact On The Nature Of Growth In The Toronto Region

The Cityplan '91 charges examined in this study will affect the decision-making structure related to new development in the City of Toronto. Aside from the development cost impacts identified in Chapter 3, the housing, parks and public art results associated with these charges along with the new planning policies of Cityplan '91, will contribute to setting the future context for living, working and conducting business in Toronto.

5.1.1 The Specific Cityplan '91 Charges Studied

Housing Linkage Fee

The housing linkage fee has been proposed as one method to achieve a better balance between new commercial development and affordable housing supply. The linkage fee directly ties commercial development to helping address a portion of the demand for new housing for low income workers resulting from population and employment growth.

For the case studies analysed in Chapter 3, the housing linkage fee represents an increased cost (expressed in lease rates) of between \$1.32 to \$1.40 per square foot of office space.

New Park Levy

The increased park dedication requirements of Cityplan '91 are intended to satisfy the Official Plan's overall parks provision standard for the City and ensure that new development is accompanied by sufficient park space. In this way, residents of new residential development will be better served by public parks since the park requirement is matched to the density of residential development.

In the two residential case studies examined by this study, the higher park dedication requirement (assuming cash-in-lieu) increase the sale price of new high density residential development by \$12.00 to \$13.00 per square foot.

The new park levy clearly increases development costs in Toronto above current levels. However, this new park levy is relatively comparable or below the requirement of other Metro area municipalities for high density residential development. For example, Mississauga, North York, and Scarborough apply a requirement of 1.0 hectare per 300 units as a general or site specific basis for high density residential development. This is becoming more common in municipalities as residential redevelopment and intensification becomes more prevalent. Toronto's new park levy is approximately one-third that of these municipalities. From a development perspective, this provides the City with a competitive advantage relative to these neighbouring municipalities.

Public Art

The public art contribution adds \$1.00 per square foot cost to the sale price of the large site residential project and \$0.18 per square foot to the lease cost of major office development.

5.1.2 The Development Approval Process

Every municipal council, through its decisions, seeks to enhance its community as an attractive location for persons to live, work and for business to invest. A municipality's planning attitudes as expressed in its policies and regulations, are the means by which it articulates its particular concept and image of the community and communicates its intended direction for dealing with existing and future development.

The official plan as the prime planning instrument in Ontario municipalities is a key determinant in shaping the quality of life found in a community. At a given point in time, it contains the community's vision of what it strives to be and the framework for achieving its objectives.

Cityplan '91 presents a vision of how the City should develop, what it should look like and how it should function. Six themes run through this vision:

- Balanced growth to produce viable and adequately serviced communities
- Concern for the environment and the environmental impacts of urban growth
- Building new livable neighbourhoods
- Arriving at a more disciplined and predictable planning process
- Expressing a clearer picture of the City's intended structure, especially its urban design goals and objectives for the public realm
- Transportation planning that reduces auto dependency, supports housing and employment growth, minimizes commuting and promotes a compact urban structure.

A key interest of this study is the impact certain proposed new development will have on the image and reality of the City of Toronto as a location for business. While the proposals aim for a high quality of life in Toronto for which measurement is imprecise and subjective, the extent to which an official plan facilitates an effective planning and development process can be evaluated.

The City of Toronto is the principal development market in Canada and one of the major real estate markets in North America. At a local scale, Toronto's traditional share of regional development is steadily diminishing due to geographic shifts in growth and a corresponding expansion of competitive development opportunities in other GTA municipalities. The demands placed on developers by Toronto's approval process relative to other municipalities is expected to be a growing factor affecting Toronto's competitive advantage, especially with respect to office development.

The Planning Act prescribes the identical planning process for all Ontario municipalities, yet experience suggests otherwise. Each municipality adapts the planning process to its circumstances, producing a range of expectations, experiences, and requirements across Ontario.

The City of Toronto has currently a complex and lengthy planning process. While some of this can be attributed to the scale and diversity of some development in the City, unclear and/or discretionary requirements in the current Official Plan contribute to a planning process that can be lengthy and unpredictable. This outcome is heightened by the tendency in recent years for many developments to proceed by way of a site-specific Official Plan amendment. An inevitable end result is increased development costs because of the time associated with approvals.

In an effort to change this situation, one of the Cityplan '91 aims is to create a more orderly and predictable planning process in Toronto. Clearer and simpler planning controls and processes have been proposed. They are intended to produce a better and more equitable planning process and the changes will include measures aimed at streamlining the approval process and giving it a higher degree of predictability. Development costs should be positively impacted by the reduction in the time absorbed by the planning process in achieving development approvals in the future.

5.1.3 Intensification and Urban Structure

A great many of the policies in Cityplan '91 are collectively supportive of development intensification in the Toronto. The policies seek to improve the quality of life in the City through the creation of enhanced living environments that will attract new residents in the future. Intensification in the City of Toronto will reduce the reliance in the large Toronto region on the outlying suburban municipalities to accommodate future population growth. This will in turn reduce, to some degree, the need for new public infrastructure in these municipalities because new development generally can be serviced with the existing infrastructure in the City.

Cityplan '91 incorporates the 725,000 person population target for the year 2011 adopted by City Council on December 10, 1990. This represents an 18.4% increase above the 1986 population in the City and is equivalent to 6.6% of the projected population increase forecast for the Greater Toronto Area (GTA) to 2011.

Through intensification, this growth will be accommodated in the City as part of an urban structure that is relatively denser than that found in newly developing areas on the urban fringe. This development form will not only reduce the need to convert agricultural land to urban uses in outlying areas, it also results in development that is more supportive of transit thereby reducing the need to improve roads to service a larger automobile based commuting workforce.

The Main Streets type of intensification is one major method the City will use to accommodate future residential growth. The benefits of this form of development are reinforcement of existing developed areas and increased utilization of current public infrastructure.

The analysis of the economic impact of the Cityplan '91 proposals indicates that the economic viability of Main Streets development is enhanced by the new proposals. The Cityplan '91 proposals provide a positive incentive to Main Streets residential/mixed use development primarily by exempting it from the park dedication requirements.

5.1.4 Social Impacts

Cityplan '91 continues a number of objectives that collectively will lead to improving the quality of life in Toronto. The six themes referred to in section 5.1.2 can be summarized as promoting the overall goal of creating an attractive, environmentally appropriate and socially balanced city. The numerous policies dealing with Toronto's form, parks, heritage, neighbourhoods, environment, transportation, housing, employment, the waterfront and district specific strategies all converge to advance the City one step further toward being a more livable city, in which a balance has been achieved between the products of urban growth and change and the needs of citizens.

In this respect, Cityplan '91 continues the direction established by its predecessor, the 1976 Official Plan. Its fundamental goals have been refined or expanded and the experience gained over the past 15 years from its implementation, have been fed back into the Cityplan '91 proposals. Accordingly, the Cityplan '91 proposals represent a further progression in providing municipal policies and direction to development in order to improve the quality of life in Toronto.

5.1.5 Impacts On Neighbourhoods

Toronto's neighbourhoods, the essential unit of the City, are a prime focus of Cityplan '91. The neighbourhoods will benefit in a variety of ways from many of the Cityplan '91 proposals.

The Main Streets initiative is a key effort aimed at reinforcing the residential and commercial elements of Toronto's existing neighbourhoods. New Main Streets development will bring new compatible development and activities to the neighbourhoods. They will both promote the continued vitality of these neighbourhoods and result in greater utilization of Toronto's existing service and facilities.

Toronto's neighbourhoods will benefit from policies such as the parkland dedication which will ensure new development addresses its park service requirements and achieves an overall improvement in the supply and quality of parkland available to Toronto residents.

The emphasis of Cityplan '91 on balanced growth is the direction that is perhaps most beneficial to neighbourhoods since it will increase the City's residential population commensurate with non-residential growth. This will ensure Toronto's neighbourhoods remain dynamic in terms of their normal residential life cycle. More importantly, the City has made provisions for actions that will provide for adequate and renewed population levels, sufficient to support healthy City activities and services. The experience in other cities has frequently been that a deterioration of a city's neighborhood fabric and its quality of life deteriorates if population levels stagnate or decline. In this regard, the City of Toronto has historically been

successful in maintaining quality neighbourhoods as essential parts of its built environment.

5.2 Impact On The Attractiveness Of Toronto As A Place to Live, Work and Invest

The City of Toronto is the economic and activity heart of the larger urban region referred to as the Greater Toronto Area (GTA). Comprising the five regions of Metropolitan Toronto, Durham, York, Peel and Halton, the GTA contains 3.73 million residents and 2.08 million jobs. Based on 1986 figures, the City of Toronto accounted for 16.4% of the GTA's population and 29% of its employment, all located in an area equivalent to 1.7% of the GTA's geographic area.

Urbanization and growth has historically spread outward from the City of Toronto into adjacent areas and municipalities. Growth in recent decades has been in the form of low density residential development with a high dependence on the automobile for movement between land uses and activities. This "urban sprawl" represents an inefficient form of development in terms of land utilization, transportation requirements and energy consumption. Cityplan '91 Background Paper #13: The City In The Region, provides a review of regional development issues and their impacts.

Although the negative aspects of urban sprawl have been acknowledged for decades, efforts to improve the manner in which growth occurs in the Toronto area have been mixed. The Provincial government and the five regions have not over the past four decades, come to a common consensus on the nature or direction that growth should take. As a result, suburban growth has proceeded at densities that are markedly below those in the City and created less efficient urban areas.

Cityplan '91 seeks to improve the quality of life in the City by encouraging an environmentally based approach to urban development. This includes measures such as promoting intensified development patterns in the City. Residential intensification and greater reliance on transit and other forms of non-automobile movement are seen as actions that will curb urban sprawl and achieve better use of

existing municipal services.

Clearly, changes in traditional approaches to urban development in the Toronto area will require community specific policy shifts and co-ordinated actions by all municipalities in the GTA. Until that occurs, the City of Toronto has through the Cityplan '91 proposals set out specific development directions that will reduce the degree to which GTA growth is accommodated in the form of suburban sprawl. This will at the same time lessen the need for public infrastructure investment in outlying communities to some extent.

The City's goal is to plan for balanced growth with a population of 725,000 persons by the year 2011. Suburban sprawl and the need for long distance commuting will be curbed by matching increases in job growth with an increase in resident housing in the City. The impact on the GTA of such a policy approach is to reduce the potential pressure on urban sprawl by the approximately 85,000 units that are to be developed in the City of Toronto by 2011. A further impact on GTA municipalities' management of development will be the leadership by example demonstrated by the City in establishing this goal for future development. At this time, the City of Toronto is one of the few GTA municipalities that has begun implementing in a meaningful way measures consistent with the achievement of sustainable development as defined by the Greater Toronto Co-ordinating Committee.

5.3 Modifications To The Proposed Charges

The three new charges contained in Cityplan '91 (housing linkage fee, increased park levy, public art contribution) and examined in this study, establish a specific link between new growth and the provision of a particular good such as housing or parks in order to achieve balanced growth in Toronto. Such links are prevalent in municipal planning and are a common method used by cities to attain the services and other components required by a complete community, outside of general property tax revenue.

There are several modifications related primarily to the implementation of these three new charges that merit consideration by the City. Matters regarding the

amount of the charges and the timing of their payment are the two areas that appear to be most opportune for possible modification.

The amount of each charge has generally been based on a City policy or developed through research. For example, the park charge approximates the park standard of the Official Plan and the housing linkage fee was set at a level identified in Background Report #18 as adequate to meet one half of the projected future demand for affordable housing.

While reduction of the amount of the charge would reduce the impact on development costs, it would also diminish the rate at which the City would achieve its stated and adopted goals in these matters. This trade-off would have to be considered in the light of the economic stimulus to development that reduced development costs would engender. Such an approach appears to have merit in the context of the current recession in which both the public and private sectors are reviewing and often drastically altering their cost and revenue structures to improve their economic performance and competitiveness.

Toronto should also give consideration to modifying the time at which the new charges are paid to the City. Extending the period over which developers are able to pay the charges to the City would moderate the impact of the linkage fee on the developer. Progressive payments at distinct phases of the development and construction process as well as payment after project occupancy are alternatives. These would spread out the financial obligations over a larger pay out period and allow for portions of the payment to be made when the developer realizes revenues from an occupied project. The City's current proposal to require payment of the linkage fee at the time of building permit, puts this obligation at a point where the developer's revenues for the project are often at the lowest point. Boston's experience with the investment community's participation in advancing funds in return for the future revenue stream from the linkage should be examined for its applicability to Toronto and Canadian financial regulations.

5.4 Economic Health Strategy

Many of the public objectives contained in the Cityplan '91 Proposals are designed to manage the impacts of growth on the City by making specific requirements for new development. Achievement of these items depends on continued expansion of private sector growth in the City since it not only generates these needs to some degree, it also funds the services through charges and property taxes.

As part of its policies for the management of growth and urban change in Toronto, Cityplan '91 rests many of its public objectives on attaining various requirements from new development. This high degree of reliance on continued future growth necessitates a corresponding level of attention by the City to ensuring future development growth in the City is not unduly discouraged or reduced. Achieving the City's objectives in the areas of affordable housing, parks and public art related to the three charges examined in this study is more assured if sustained growth takes place in the future.

In this regard, it is important for the City to ensure that the economic impacts of its proposals do not diminish the economic vitality of the business sector in the City. Small business is of particular importance since it is the most pervasive sector in our economy, the chief vehicle for new business formation and the most highly City oriented.

Similarly, large business although becoming larger and fewer in number through consolidation, is at the same time becoming more vulnerable to factors affecting its competitiveness. The City's actions should strive to support the retention and attraction of business, rather than contribute to negative business pressures. These objectives would be strengthened through a program of strategic public infrastructure investments that are supportive of sustained economic and development growth. Opportunities for greater public/private partnerships on projects or other initiatives that achieve benefits for each sector, are programs that such a strategy could articulate. This would serve as a framework for future joint action aimed at maintaining and improving Toronto's economic prospects in the future.

One method of resolving the tension between achieving the City's objectives while sustaining a healthy growth climate, is to prepare a strategy and policies corresponding to the Cityplan '91 Proposals designed to maintain the strength of Toronto's office sector on which many of the growth-related aspects of Cityplan '91 are premised. Such a component would be consistent with the various municipal strategies currently found in Cityplan '91, each of which has specific goals for progress in the areas of employment, housing and public services. As part of a larger economic development strategy for Toronto, the office sector proposals will explicitly acknowledge the importance of this activity as an essential underpinning of Toronto as a City at present and into the future. While the control of rapid office growth was a focus of past planning efforts of the City, the emergence of the office sector into such a major role in the City's employment and economic well being, requires that Toronto link its land use and public services policies with a strategy that can guide sustained future growth in the City.

Appendices

A. Case Study Pro Formas In The City Of Toronto

**B. Case Study Pro Formas For City Centre Style Developments
In The Metropolitan Toronto Area**



DEVELOPMENT AREA -
DEVELOPMENT TYPE -

FINANCIAL DISTRICT - BAY/KING
OFFICE 8x DENSITY

SITE AREA: 32,670 (sq.ft.) 0.75 (acres) DENSITY 8.00

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	15,000				
Number of Floors	17				
Gross Zoning Area	sq. ft.	261,360	261,360	0	0
Gross Construction Area	106%	277,042	277,042	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq. ft.	245,678	245,678	0	0
PARKING: TOTAL REQUIRED	spaces	81	81	0	0
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	81	81	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq.ft.
Number of Residential Units 0

Assumptions

Assumed Land Value For Analysis \$700 /sq.ft. \$88 /buildable sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$30.69	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)		\$61.38	\$0.00	\$0
Capitalization Rate		7.5%	0.0%	0.0%
Vacancy Rates		2.5%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 5				
Cost Per Elevator - \$100,000				
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$3.37	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$120	\$0	\$0

PARKING ASSUMPTION/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
1 Space Per sq.ft. (Comm.) or 1/Space per Unit (Res.)		3,228	0	0.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$4,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
✓ Cityplan '91: n/a

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$7,539,858	\$7,539,858	\$0	\$0
Parking	\$324,000	\$324,000	\$0	\$0
Gross Revenues	\$7,863,858	\$7,863,858	\$0	\$0
Less Vacancy See Assumptions	(\$188,496)	(\$188,496)	\$0	\$0
Net Revenues	\$7,675,362	\$7,675,362	\$0	\$0
Capitalized Value	\$102,338,160	\$102,338,160	\$0	\$0
Less Tenant Inducements See Assumptions	(\$15,079,716)	(\$15,079,716)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$3,070,145)	(\$3,070,145)	\$0	\$0

PROJECT VALUE	\$84,188,299	\$84,188,299	\$0	\$0
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Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$110,098	\$110,098	\$0	\$0
Servicing @ \$10,000 Building	\$10,000	\$10,000	\$0	\$0
Building See Assumptions	\$33,245,040	\$33,245,040	\$0	\$0
Elevators \$100,000 /Elevator	\$500,000	\$500,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$1,620,000	\$1,620,000	\$0	\$0
SUB-TOTAL HARD COSTS	\$35,485,138	\$35,485,138	\$0	\$0

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,774,257	\$1,774,257	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$354,851	\$354,851	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,774,257	\$1,774,257	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,774,257	\$1,774,257	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$354,851	\$354,851	\$0	\$0
Park's Levy @ 2% of Land Value	\$457,380	\$457,380	\$0	\$0
Sewage Impost Fee \$0.70 /sq.ft.	\$182,952	\$182,952	\$0	\$0
TOTAL CITY OF TORONTO CHARGES	\$995,183	\$995,183	\$0	\$0
SUB-TOTAL SOFT COSTS	\$5,672,805	\$5,672,805	\$0	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$42,157,943	\$42,157,943	\$0	\$0
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Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$3,872,316	\$3,872,316	\$0	\$0
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$970,893	\$970,893	\$0	\$0
Total Construction Financing	\$4,843,209	\$4,843,209	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$47,001,152	\$47,001,152	\$0	\$0
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$84,188,299
Project Costs	\$47,001,152
Less Developers Profit (15% of Land and Building)	\$10,981,082
Residual Land Value:	\$26,206,065
- Per Buildable Sq.ft.	\$100.27

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$35,485,138	\$35,485,138	\$0	\$0
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,774,257	\$1,774,257	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$354,851	\$354,851	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,774,257	\$1,774,257	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,774,257	\$1,774,257	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$354,851	\$354,851	\$0	\$0
Park's Levy @ 2% of Land Value	\$457,380	\$457,380	\$0	\$0
Sewage Impost Fee \$0.70 /sq.ft.	\$182,952	\$182,952	\$0	\$0
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$2,613,600	\$2,613,600	\$0	\$0
Public Art Levy @ 1.0% \$ Construction	\$354,851	\$354,851	\$0	\$0
Public Parks Levy @ See Assumptions	\$0	\$0	\$0	\$0
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$2,968,451	\$2,968,451	\$0	\$0
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91)	\$3,963,634	\$3,963,634	\$0	\$0
SUB-TOTAL SOFT COSTS	\$9,641,256	\$9,641,256	\$0	\$0
SUB-TOTAL HARD AND SOFT COSTS	\$45,126,394	\$45,126,394	\$0	\$0
Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$3,872,316	\$3,872,316	\$0	\$0
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$1,402,803	\$1,402,803	\$0	\$0
Total Construction Financing	\$5,275,119	\$5,275,119	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$50,401,513	\$50,401,513	\$0	\$0
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CITYPLAN CHARGES:	
As % of Total Project Costs	5.9%
\$ Per Sq.Ft. of Gross Buildable Area	\$11

Project Value	\$84,188,299
Project Costs	\$50,401,513
Less Developers Profit (15% of Land and Building)	\$10,981,082
Residual Land Value:	\$22,805,704
- Per Buildable Sq.ft.	\$87.26

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

CENTRAL AREA - OUTSIDE FINANCIAL DISTRICT - BAY/COLLEGE
OFFICE 4.5x DENSITY

SITE AREA:

21,780 (sq.ft.)

0.50 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	15,000				
Number of Floors	7				
Gross Zoning Area	sq.ft.	98,010	98,010	0	0
Gross Construction Area	106%	103,891	103,891	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq.ft.	92,129	92,129	0	0
PARKING: TOTAL REQUIRED	spaces	30	30	0	0
	Surface	0	0	0	0
	Structure	0	0	0	0
	Underground	30	30	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq.ft.
Number of Residential Units 0

Assumptions

Value Of Land For Analysis \$350 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$27.89	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)		\$55.78	\$0.00	\$0
Capitalization Rate		8.0%	0.0%	0.0%
Vacancy Rates		2.5%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$4.13	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$100	\$0	\$0

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space =	300			
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		3,228	0	0.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$4,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
✓ Cityplan '91: n/a

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$2,569,478	\$2,569,478	\$0	\$0
Parking	\$120,000	\$120,000	\$0	\$0
Gross Revenues	\$2,689,478	\$2,689,478	\$0	\$0
Less Vacancy 2.5%	(\$64,237)	(\$64,237)	\$0	\$0
Net Revenues	\$2,625,241	\$2,625,241	\$0	\$0
Capitalized Value	\$32,815,513	\$32,815,513	\$0	\$0
Less Tenant Inducements \$56 /sq. ft.	(\$5,159,224)	(\$5,159,224)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$984,465)	(\$984,465)	\$0	\$0
PROJECT VALUE	\$26,671,824	\$26,671,824	\$0	\$0

Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$89,951	\$89,951	\$0	\$0
Servicing @ \$10,000 Building	\$10,000	\$10,000	\$0	\$0
Building See Assumptions	\$10,389,100	\$10,389,100	\$0	\$0
Elevators \$100,000 /Elevator	\$400,000	\$400,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$600,000	\$600,000	\$0	\$0
SUB-TOTAL HARD COSTS	\$11,489,051	\$11,489,051	\$0	\$0

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$574,453	\$574,453	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$114,891	\$114,891	\$0	\$0
Contingency @ 5.0% Hard Costs	\$574,453	\$574,453	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$574,453	\$574,453	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$114,891	\$114,891	\$0	\$0
Park's Levy @ 2% of Land Value	\$152,460	\$152,460	\$0	\$0
Sewage Impost Fee @ \$0.70 /sq. ft. G.F.A.	\$68,607	\$68,607	\$0	\$0
TOTAL CITY OF TORONTO CHARGES	\$335,958	\$335,958	\$0	\$0
SUB-TOTAL SOFT COSTS	\$2,174,208	\$2,174,208	\$0	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$13,663,259	\$13,663,259	\$0	\$0
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Construction Financing:				
Hard Costs 12 months (1) @ 9.70% Effective Rate	\$835,828	\$835,828	\$0	\$0
Soft Costs 18 months (1) @ 9.70% Effective Rate	\$237,260	\$237,260	\$0	\$0
Total Construction Financing	\$1,073,088	\$1,073,088	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$14,736,347	\$14,736,347	\$0	\$0
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$26,671,824
Project Costs	\$14,736,347
Less Developers Profit (15% of Land and Building)	\$3,478,934
Residual Land Value:	\$8,456,543
- Per Buildable Sq.ft.	\$86.28

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES AND ADDITIONAL COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$11,489,051	\$11,489,051	\$0	\$0
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$574,453	\$574,453	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$114,891	\$114,891	\$0	\$0
Contingency @ 5.0% Hard Costs	\$574,453	\$574,453	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$574,453	\$574,453	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$114,891	\$114,891	\$0	\$0
Park's Levy @ 2% of Land Value	\$152,460	\$152,460	\$0	\$0
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$68,607	\$68,607	\$0	\$0
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$980,100	\$980,100	\$0	\$0
Public Art Levy @ 1.0% \$ Construction	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$0	\$0	\$0	\$0
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$980,100	\$980,100	\$0	\$0
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91)	\$1,316,058	\$1,316,058	\$0	\$0
SUB-TOTAL SOFT COSTS	\$3,154,308	\$3,154,308	\$0	\$0
SUB-TOTAL HARD AND SOFT COSTS	\$14,643,359	\$14,643,359	\$0	\$0

Construction Financing:				
Hard Costs 12 months (1) @ 9.70% Effective Rate	\$835,828	\$835,828	\$0	\$0
Soft Costs 18 months (1) @ 9.70% Effective Rate	\$344,214	\$344,214	\$0	\$0
Total Construction Financing	\$1,180,042	\$1,180,042	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$15,823,401	\$15,823,401	\$0	\$0
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CITYPLAN CHARGES:	
As % of Total Project Costs	6.2%
\$ Per Sq.Ft. of Gross Buildable Area	\$10.00

Project Value	\$26,671,824
Project Costs	\$15,823,401
Less Developers Profit (15% of Land and Building)	\$3,478,934
Residual Land Value:	\$7,369,489
- Per Buildable Sq.ft.	\$75.19

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

CENTRAL AREA - OUTSIDE FINANCIAL DISTRICT - BAY/COLLEGE - LARGE SITE
RESIDENTIAL CONDOMINIUM 7.8x DENSITY

SITE AREA:

65,340 (sq.ft.)

1.50 (acres)

DENSITY

7.80

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	20,000				
Number of Floors	25				
Gross Zoning Area	sq.ft.	509,652	0	0	509,652
Gross Construction Area	106%	540,231	0	0	540,231
Building Efficiency (As % of G.Z.A.)	%		94%	94%	94%
Net Building Area	sq.ft.	479,073	0	0	479,073
PARKING: TOTAL REQUIRED		spaces	508	0	508
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	508	0	0	508

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq.ft.
Number of Residential Units 479

Assumptions

Value Of Land For Calculation of Levy \$350 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$232
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0	\$3.67
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space =	300			
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		0	0	1.06
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

- ✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
- ✓ Cityplan '91: Based on lesser of 1 acre land dedication per 336 units or 25% of lands or cash-in-lieu equivalent.

Project Revenues

REVENUES	TOTAL	Office	Development Type	
			Retail	Res-Condominium
Lease/Sale Revenues	\$111,144,936	\$0	\$0	\$111,144,936
Parking	\$12,700,000	\$0	\$0	\$12,700,000
Gross Revenues	\$123,844,936	\$0	\$0	\$123,844,936
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$123,844,936	\$0	\$0	\$123,844,936
Capitalized Value	\$123,844,936	\$0	\$0	\$123,844,936
Less Tenant Inducements See Assumptions	\$0	\$0	\$0	\$0
Less Sales Commission 5.0% Capital Value	(\$6,192,247)	\$0	\$0	(\$6,192,247)

PROJECT VALUE	\$117,652,689	\$0	\$0	\$117,652,689
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Project Costs

COSTS	TOTAL	Office	Development Type	
			Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$239,798	\$0	\$0	\$239,798
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$45,919,635	\$0	\$0	\$45,919,635
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$10,160,000	\$0	\$0	\$10,160,000
SUB-TOTAL HARD COSTS	\$56,729,433	\$0	\$0	\$56,729,433

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$2,836,472	\$0	\$0	\$2,836,472
Legal Fees @ 1.0% Hard Costs	\$567,294	\$0	\$0	\$567,294
Contingency @ 5.0% Hard Costs	\$2,836,472	\$0	\$0	\$2,836,472
Construction Management @ 5.0% Hard Costs	\$2,836,472	\$0	\$0	\$2,836,472
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$567,294	\$0	\$0	\$567,294
Park's Levy @ 5% of Land Value	\$1,143,450	\$0	\$0	\$1,143,450
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$356,756	\$0	\$0	\$356,756
TOTAL CITY OF TORONTO CHARGES	\$2,067,500	\$0	\$0	\$2,067,500
SUB-TOTAL SOFT COSTS	\$11,194,210	\$0	\$0	\$11,194,210

SUB-TOTAL HARD AND SOFT COSTS	\$67,923,643	\$0	\$0	\$67,923,643
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Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$6,190,599	\$0	\$0	\$6,190,599
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$1,628,758	\$0	\$0	\$1,628,758
Total Construction Financing	\$7,819,357	\$0	\$0	\$7,819,357

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$75,743,000	\$0	\$0	\$75,743,000
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$117,652,689
Project Costs	\$75,743,000
Less Developers Profit (15% of Land and Building)	\$15,346,003
Residual Land Value:	\$26,563,686
- Per Buildable Sq.ft.	\$52.12

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES				Development Type			
				TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS				\$56,729,433	\$0	\$0	\$56,729,433
SOFT COSTS:							
Arch & Engineering Fees @	5.0%	Hard Costs		\$2,836,472	\$0	\$0	\$2,836,472
Legal Fees @	1.0%	Hard Costs		\$567,294	\$0	\$0	\$567,294
Contingency @	5.0%	Hard Costs		\$2,836,472	\$0	\$0	\$2,836,472
Construction Management @	5.0%	Hard Costs		\$2,836,472	\$0	\$0	\$2,836,472
Res. Administration/Setup Fee	\$50,000	/Res. Building		\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:							
Current Development Charges:							
Building Permits @	1.0%	Hard Costs		\$567,294	\$0	\$0	\$567,294
Park's Levy - Cityplan Parks Levy Only				\$0	\$0	\$0	n/a
Sewage Impost Fee @	\$0.70	/sq.ft. G.F.A.		\$356,756	\$0	\$0	\$356,756
CITYPLAN '91 Charges and Additional Costs:							
Housing Linkage Fee @	\$10	/sq.ft. Gross		\$0	\$0	\$0	\$0
Public Art Levy @	1.0%	\$ Construction		\$567,294	\$0	\$0	\$567,294
Public Parks Levy @	See Assumptions			\$5,717,250	\$0	\$0	\$5,717,250
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS				\$6,284,544	\$0	\$0	\$6,284,544
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91)				\$7,208,594	\$0	\$0	\$7,208,594
SUB-TOTAL SOFT COSTS				\$16,335,304	\$0	\$0	\$16,335,304
SUB-TOTAL HARD AND SOFT COSTS				\$73,064,737	\$0	\$0	\$73,064,737
Construction Financing:							
Hard Costs 18 months (1) @	9.70%	Effective Rate		\$6,190,599	\$0	\$0	\$6,190,599
Soft Costs 24 months (1) @	9.70%	Effective Rate		\$2,376,787	\$0	\$0	\$2,376,787
Total Construction Financing				\$8,567,386	\$0	\$0	\$8,567,386

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$81,632,123	\$0	\$0	\$81,632,123
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CITYPLAN CHARGES:	
As % of Total Project Costs	7.7%
\$ Per Sq.Ft. of Gross Buildable Area	\$12

Project Value	\$117,652,689
Project Costs	\$81,632,123
Less Developers Profit (15% of Land and Building)	\$15,346,003
Residual Land Value:	\$20,674,563
- Per Buildable Sq.ft.	\$40.57

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

CENTRAL AREA - OUTSIDE FINANCIAL DISTRICT - BAY/COLLEGE - SMALL SITE
RESIDENTIAL CONDOMINIUM 7.8x DENSITY

SITE AREA: 21,780 (sq.ft.) 0.50 (acres) DENSITY 7.80

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION					
Floor Plate (in sq ft.)	15,000				
Number of Floors	11				
Gross Zoning Area	sq. ft.	169,884	0	0	169,884
Gross Construction Area	106%	180,077	0	0	180,077
Building Efficiency (As % of G Z A.)	%		94%	94%	94%
Net Building Area	sq. ft.	159,691	0	0	159,691
PARKING: TOTAL REQUIRED		spaces	170	0	0
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	170	0	0	170

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq. ft.
Number of Residential Units 160

Assumptions

Value Of Land For Calculation of Levy \$350 /sq. ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$235
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0	\$3.67
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq Ft. Per Space =	300			
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		3,228	1,076	1.06
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

- ✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
- ✓ Cityplan '91: Based on 1 acre land dedication per 1,348 units or cash-in-lieu equivalent.

Project Revenues

REVENUES	TOTAL	Development Type		
		Office	Retail	Res-Condominium
Lease/Sale Revenues	\$37,527,385	\$0	\$0	\$37,527,385
Parking	\$4,250,000	\$0	\$0	\$4,250,000
Gross Revenues	\$41,777,385	\$0	\$0	\$41,777,385
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$41,777,385	\$0	\$0	\$41,777,385
Capitalized Value	\$41,777,385	\$0	\$0	\$41,777,385
Less Tenant Inducements See Assumptions	\$0	\$0	\$0	\$0
Less Sales Commission 5.0% Capital Value	(\$2,088,869)	\$0	\$0	(\$2,088,869)

PROJECT VALUE	\$39,688,516	\$0	\$0	\$39,688,516
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Project Costs

COSTS	TOTAL	Development Type		
		Office	Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$79,933	\$0	\$0	\$79,933
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$15,306,545	\$0	\$0	\$15,306,545
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$3,400,000	\$0	\$0	\$3,400,000
SUB-TOTAL HARD COSTS	\$19,196,478	\$0	\$0	\$19,196,478

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$959,824	\$0	\$0	\$959,824
Legal Fees @ 1.0% Hard Costs	\$191,965	\$0	\$0	\$191,965
Contingency @ 5.0% Hard Costs	\$959,824	\$0	\$0	\$959,824
Construction Management @ 5.0% Hard Costs	\$959,824	\$0	\$0	\$959,824
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$191,965	\$0	\$0	\$191,965
Park's Levy @ 5% of Land Value	\$381,150	\$0	\$0	\$381,150
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$118,919	\$0	\$0	\$118,919
TOTAL CITY OF TORONTO CHARGES	\$692,034	\$0	\$0	\$692,034
SUB-TOTAL SOFT COSTS	\$3,813,471	\$0	\$0	\$3,813,471

SUB-TOTAL HARD AND SOFT COSTS	\$23,009,949	\$0	\$0	\$23,009,949
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Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$2,094,816	\$0	\$0	\$2,094,816
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$554,860	\$0	\$0	\$554,860
Total Construction Financing	\$2,649,676	\$0	\$0	\$2,649,676

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$25,659,625	\$0	\$0	\$25,659,625
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$39,688,516
Project Costs	\$25,659,625
Less Developers Profit (15% of Land and Building)	\$5,176,763
Residual Land Value:	\$8,852,128
- Per Buildable Sq.ft.	\$52.11

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$19,196,478	\$0	\$0	\$19,196,478
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$959,824	\$0	\$0	\$959,824
Legal Fees @ 1.0% Hard Costs	\$191,965	\$0	\$0	\$191,965
Contingency @ 5.0% Hard Costs	\$959,824	\$0	\$0	\$959,824
Construction Management @ 5.0% Hard Costs	\$959,824	\$0	\$0	\$959,824
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$191,965	\$0	\$0	\$191,965
Park's Levy - Cityplan Parks Levy Only	\$0	\$0	\$0	n/a
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$118,919	\$0	\$0	\$118,919
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$0	\$0	\$0	\$0
Public Art Levy @ 1.0% \$ Construction	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$1,809,614	\$0	\$0	\$1,809,614
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$1,809,614	\$0	\$0	\$1,809,614
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91)	\$2,120,498	\$0	\$0	\$2,120,498
SUB-TOTAL SOFT COSTS	\$5,241,935	\$0	\$0	\$5,241,935
SUB-TOTAL HARD AND SOFT COSTS	\$24,438,413	\$0	\$0	\$24,438,413
Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$2,094,816	\$0	\$0	\$2,094,816
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$762,702	\$0	\$0	\$762,702
Total Construction Financing	\$2,857,518	\$0	\$0	\$2,857,518

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$27,295,931	\$0	\$0	\$27,295,931
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CITYPLAN CHARGES:

As % of Total Project Costs	6.6%
\$ Per Sq.Ft. of Gross Buildable Area	\$11

Project Value	\$39,688,516
Project Costs	\$27,295,931
Less Developers Profit (15% of Land and Building)	\$5,176,763
Residual Land Value:	\$7,215,822
- Per Buildable Sq.ft.	\$42.47

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

MAIN STREETS - DANFORTH AVENUE
RESIDENTIAL CONDOMINIUM, RETAIL AND OFFICE

SITE AREA:

8,000 (sq.ft.)

0.18 (acres)

DENSITY

3.00

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	0%	30%	70%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	7,000				
Number of Floors	3				
Gross Zoning Area	sq.ft.	24,000	0	7,200	16,800
Gross Construction Area	106%	25,440	0	7,632	17,808
Building Efficiency (As % of G.Z.A.)	%		94%	94%	94%
Net Building Area	sq.ft.	22,560	0	6,768	15,792
PARKING: TOTAL REQUIRED	spaces	23	0	8	15
Surface (1)	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	0	0	0	0

(1) Note: Parking to be accommodated off-site, cash in lieu of parking requirement.

RESIDENTIAL ASSUMPTIONS:	
Average Unit Size	800 sq.ft.
Number of Residential Units	20

Assumptions

Value Of Land For Analysis Purposes \$150 /sq.ft.

ASSUMPTIONS	Development Type		
	Office	Retail	Res-Condominium
REVENUE:			
Gross Lease/Sale Rate	\$18.00	\$28.00	\$186
Tenant Inducements (Per Sq.Ft.)	\$36.00	\$56.00	\$0
Capitalization Rate	8.0%	8.0%	0.0%
Vacancy Rates	0.0%	0.0%	0.0%
COST:			
Number of Elevators Per Building - 1			
Cost Per Elevator - \$75,000			
Sales Commission (Based On Capitalized Value)	3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)	\$7.00	\$7.00	\$1.25
Building Costs (Per Gross Construction Sq.Ft.)	\$80	\$60	\$80

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space =	300			
1 Space/sq.ft. (Commercial) or /Unit (Residential)		1,000	860	0.750
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$0

PARK LEVY:

- ✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects.
- ✓ Cityplan '91 recommends that Main Street mixed use residential projects be exempt from the Park Levy requirements.

Project Revenues

REVENUES	TOTAL	Office	Development Type	
			Retail	Res-Condominium
Lease/Sale Revenues	\$3,126,816	\$0	\$189,504	\$2,937,312
Parking	\$0	\$0	\$0	\$0
Gross Revenues	\$3,126,816	\$0	\$189,504	\$2,937,312
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$3,126,816	\$0	\$189,504	\$2,937,312
Capitalized Value	\$5,306,112	\$0	\$2,368,800	\$2,937,312
Less Tenant Inducements See Assumptions	(\$379,008)	\$0	(\$379,008)	\$0
Less Sales Commission See Assumptions	(\$217,930)	\$0	(\$71,064)	(\$146,866)

PROJECT VALUE	\$4,709,174	\$0	\$1,918,728	\$2,790,446
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Project Costs

COSTS	TOTAL	Office	Development Type	
			Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$66,000	\$0	\$56,000	\$10,000
Servicing @ \$10,000 Building	\$10,000	\$0	\$3,000	\$7,000
Building See Assumptions	\$1,882,560	\$0	\$457,920	\$1,424,640
Elevators \$75,000 /Elevator	\$75,000	\$0	\$22,500	\$52,500
Parking:				
Surface \$0 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$0 /space	\$0	\$0	\$0	\$0
SUB-TOTAL HARD COSTS	\$2,033,560	\$0	\$539,420	\$1,494,140

SOFT COSTS:				
Cash-In-Lieu of Parking @ \$8,161 /Space	\$187,703	\$0	\$65,288	\$122,415
Arch & Engineering Fees @ 5.0% Hard Costs	\$101,678	\$0	\$26,971	\$74,707
Legal Fees @ 1.0% Hard Costs	\$20,335	\$0	\$5,394	\$14,941
Contingency @ 5.0% Hard Costs	\$101,678	\$0	\$26,971	\$74,707
Construction Management @ 5.0% Hard Costs	\$101,678	\$0	\$26,971	\$74,707
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges				
Building Permits @ 1.0% Hard Costs	\$20,335	\$0	\$5,394	\$14,941
Park's Levy @ See Assumptions	\$84,000	\$0	\$24,000	\$60,000
Sewage Impost Fee @ \$0.70 /sq.ft.	\$16,800	\$0	\$5,040	\$11,760
TOTAL CITY OF TORONTO CHARGES	\$121,135	\$0	\$34,434	\$86,701
SUB-TOTAL SOFT COSTS	\$684,207	\$0	\$186,029	\$498,178

SUB-TOTAL HARD AND SOFT COSTS	\$2,717,767	\$0	\$725,449	\$1,992,318
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Construction Financing:				
Hard Costs 6 months (1) @ 9.70% Effective Rate	\$73,985	\$0	\$19,621	\$54,364
Soft Costs 8 months (1) @ 9.70% Effective Rate	\$33,184	\$0	\$9,022	\$24,162
Total Construction Financing	\$107,169	\$0	\$28,643	\$78,526

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$2,824,936	\$0	\$754,092	\$2,070,844
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$4,709,174
Project Costs	\$2,824,936
Less Developers Profit (15% of Land and Building)	\$614,240
Residual Land Value:	\$1,269,998
- Per Buildable Sq.ft.	\$52.92

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$2,033,560	\$0	\$539,420	\$1,494,140
SOFT COSTS:				
Cash-In-Lieu of Parking @ \$8,161 /Space	\$187,703	\$0	\$65,288	\$122,415
Arch & Engineering Fees @ 5.0% Hard Costs	\$101,678	\$0	\$26,971	\$74,707
Legal Fees @ 1.0% Hard Costs	\$20,335	\$0	\$5,394	\$14,941
Contingency @ 5.0% Hard Costs	\$101,678	\$0	\$26,971	\$74,707
Construction Management @ 5.0% Hard Costs	\$101,678	\$0	\$26,971	\$74,707
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$20,335	\$0	\$5,394	\$14,941
Park's Levy @ N/A Under Cityplan	\$0	\$0	\$0	\$0
Sewage Impost Fee @ \$0.70 /sq.ft.	\$16,800	\$0	\$5,040	\$11,760
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$72,000	\$0	\$72,000	\$0
Public Art Levy N/A	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$0	\$0	\$0	\$0
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$72,000	\$0	\$72,000	\$0
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91	\$109,135	\$0	\$82,434	\$26,701
SUB-TOTAL SOFT COSTS	\$672,207	\$0	\$234,029	\$438,178
SUB-TOTAL HARD AND SOFT COSTS	\$2,705,767	\$0	\$773,449	\$1,932,318
Construction Financing:				
Hard Costs 6 months (1) @ 9.70% Effective Rate	\$73,970	\$0	\$19,621	\$54,349
Soft Costs 8 months (1) @ 9.70% Effective Rate	\$32,602	\$0	\$11,350	\$21,252
Total Construction Financing	\$106,572	\$0	\$30,971	\$75,601

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$2,812,339	\$0	\$804,420	\$2,007,919
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CITYPLAN CHARGES:	
Total Cityplan Charges	\$72,000
Less Park Levy Exemption	\$84,000
Net Cityplan Impact	(\$12,000)
As % of Total Project Costs	-0.4%
\$ Per Sq.Ft. of Gross Buildable Area	(\$0.50)

Project Value	\$4,709,174
Project Costs	\$2,812,339
Less Developers Profit (15% of Land and Building)	\$614,240
Residual Land Value:	\$1,282,595
- Per Buildable Sq.ft.	\$53.44

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

SMALL SITE COMMERCIAL - DAVENPORT ROAD
OFFICE AND RETAIL

SITE AREA:

15,000 (sq.ft.)

0.34 (acres)

DENSITY

2.00

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	65%	35%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	10,000				
Number of Floors	3				
Gross Zoning Area	sq.ft.	30,000	19,500	10,500	0
Gross Construction Area	106%	31,800	20,670	11,130	0
Building Efficiency (As % of G.Z.A.)	%		94%	94%	94%
Net Building Area	sq.ft.	28,200	18,330	9,870	0
PARKING: TOTAL REQUIRED (1)	spaces	15	6	9	0
	Surface	0	0	0	0
	Structure	0	0	0	0
	Underground	0	0	0	0

(1) Note: Parking to be accommodated off-site, cash-in-lieu of parking requirement.

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq.ft.
Number of Residential Units 0

Assumptions

Value Of Land For Analysis Purposes \$150 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$18.42	\$28.42	\$0
Tenant Inducements (Per Sq.Ft.)		\$36.84	\$56.84	\$0
Capitalization Rate		8.0%	8.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 1				
Cost Per Elevator - \$75,000				
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$4.98	\$4.98	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$80	\$60	\$0

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space =	300			
1 Space/sq.ft. (Commercial) or /Unit (Residential)		3,228	1,076	0.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
✓ Cityplan '91 - n/a

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$618,144	\$337,639	\$280,505	\$0
Parking	\$0	\$0	\$0	\$0
Gross Revenues	\$618,144	\$337,639	\$280,505	\$0
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$618,144	\$337,639	\$280,505	\$0
Capitalized Value	\$7,726,801	\$4,220,488	\$3,506,313	\$0
Less Tenant Inducements See Assumptions	(\$1,236,288)	(\$675,277)	(\$561,011)	\$0
Less Sales Commission 3.0% Capital Value	(\$231,804)	(\$126,615)	(\$105,189)	\$0

PROJECT VALUE	\$6,258,709	\$3,418,596	\$2,840,113	\$0
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Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$74,700	\$48,555	\$26,145	\$0
Servicing @ \$10,000 Building	\$10,000	\$6,500	\$3,500	\$0
Building See Assumptions	\$2,321,400	\$1,653,600	\$667,800	\$0
Elevators \$75,000 /Elevator	\$75,000	\$48,750	\$26,250	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$0	\$0	\$0	\$0
SUB-TOTAL HARD COSTS	\$2,481,100	\$1,757,405	\$723,695	\$0

SOFT COSTS:				
Cash-In-Lieu of Parking @ \$8,161 /Space	\$122,415	\$48,966	\$73,449	\$0
Arch & Engineering Fees @ 5.0% Hard Costs	\$124,055	\$87,870	\$36,185	\$0
Legal Fees @ 1.0% Hard Costs	\$24,811	\$17,574	\$7,237	\$0
Contingency @ 5.0% Hard Costs	\$124,055	\$87,870	\$36,185	\$0
Construction Management @ 5.0% Hard Costs	\$124,055	\$87,870	\$36,185	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges				
Building Permits @ 1.0% Hard Costs	\$24,811	\$17,574	\$7,237	\$0
Park's Levy @ 2% of Land Value	\$45,000	\$29,250	\$15,750	\$0
Sewage Impost Fee @ \$0.70 /sq.ft.	\$21,000	\$13,650	\$7,350	\$0
TOTAL CITY OF TORONTO CHARGES	\$90,811	\$60,474	\$30,337	\$0
SUB-TOTAL SOFT COSTS	\$487,787	\$341,658	\$146,129	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$2,968,887	\$2,099,063	\$869,824	\$0
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Construction Financing:				
Hard Costs 6 months (1) @ 9.70% Effective Rate	\$90,250	\$63,926	\$26,324	\$0
Soft Costs 8 months (1) @ 9.70% Effective Rate	\$23,657	\$16,570	\$7,087	\$0
Total Construction Financing	\$113,907	\$80,496	\$33,411	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$3,082,794	\$2,179,559	\$903,235	\$0
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$6,258,709
Project Costs	\$3,082,794
Less Developers Profit (15% of Land and Building)	\$816,353
Residual Land Value:	\$2,359,562
- Per Buildable Sq.ft.	\$78.65

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$2,481,100	\$1,757,405	\$723,695	\$0
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$124,055	\$87,870	\$36,185	\$0
Legal Fees @ 1.0% Hard Costs	\$53,759	\$17,574	\$36,185	\$0
Contingency @ 5.0% Hard Costs	\$124,055	\$87,870	\$36,185	\$0
Construction Management @ 5.0% Hard Costs	\$124,055	\$87,870	\$36,185	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges \$19				
Building Permits @ 1.0% Hard Costs	\$24,811	\$17,574	\$7,237	\$0
Park's Levy @ See Assumptions	\$45,000	\$29,250	\$15,750	\$0
Sewage Impost Fee @ \$0.70 /sq.ft.	\$21,000	\$13,650	\$7,350	\$0
CITY PLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$300,000	\$195,000	\$105,000	\$0
Public Art Levy @ 1.0% \$ Construction	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$0	\$0	\$0	\$0
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$300,000	\$195,000	\$105,000	\$0
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91	\$390,811	\$255,474	\$135,337	\$0
SUB-TOTAL SOFT COSTS	\$816,735	\$536,658	\$280,077	\$0
SUB-TOTAL HARD AND SOFT COSTS	\$3,297,835	\$2,294,063	\$1,003,772	\$0
Construction Financing:				
Hard Costs 6 months (1) @ 9.70% Effective Rate	\$90,250	\$63,926	\$26,324	\$0
Soft Costs 8 months (1) @ 9.70% Effective Rate	\$39,612	\$26,028	\$13,584	\$0
Total Construction Financing	\$129,862	\$89,954	\$39,908	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$3,427,697	\$2,384,017	\$1,043,680	\$0
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CITYPLAN CHARGES:	
As % of Total Project Costs	8.8%
\$ Per Sq.Ft. of Gross Buildable Area	\$10

Project Value	\$6,258,709
Project Costs	\$3,427,697
Less Developers Profit (15% of Land and Building)	\$816,353
Residual Land Value:	\$2,014,659
- Per Buildable Sq.ft.	\$67.16

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

MISSISSAUGA - CITY CENTRE
OFFICE

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	18,000				
Number of Floors	11				
Gross Zoning Area	sq. ft.	196,020	196,020	0	0
Gross Construction Area	106%	207,781	207,781	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq. ft.	184,259	184,259	0	0
PARKING: TOTAL REQUIRED	spaces	583	583	0	0
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	583	583	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq. ft.
Number of Residential Units 0

Assumptions

Value of Land For Analysis Purposes

\$113 /sq. ft. land

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$20.00	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)		\$40.00	\$0.00	\$0
Capitalization Rate		8.0%	0.0%	0.0%
Vacancy Rates		2.5%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission (Based On Capitalized Revenue)		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$2.92	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$100	\$0	\$0

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
1 Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		336	0	0.0
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$3,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 2% of land value for commercial projects and \$3,000/unit for high density residential projects.

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$3,685,180	\$3,685,180	\$0	\$0
Parking	\$1,749,000	\$1,749,000	\$0	\$0
Gross Revenues	\$5,434,180	\$5,434,180	\$0	\$0
Less Vacancy See Assumptions	(\$92,130)	(\$92,130)	\$0	\$0
Net Revenues	\$5,342,050	\$5,342,050	\$0	\$0
Capitalized Value	\$66,775,625	\$66,775,625	\$0	\$0
Less Tenant Inducements See Assumptions	(\$7,370,360)	(\$7,370,360)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$2,003,269)	(\$2,003,269)	\$0	\$0

PROJECT VALUE	\$57,401,996	\$57,401,996	\$0	\$0
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Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condo
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$127,195	\$127,195	\$0	\$0
Servicing @ \$10,000 Building	\$0	\$10,000	\$0	\$0
Building See Assumptions	\$20,778,100	\$20,778,100	\$0	\$0
Elevators \$100,000 /Elevator	\$400,000	\$400,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$11,660,000	\$11,660,000	\$0	\$0
SUB-TOTAL HARD COSTS	\$32,975,295	\$32,975,295	\$0	\$0

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,648,765	\$1,648,765	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$329,753	\$329,753	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,648,765	\$1,648,765	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,648,765	\$1,648,765	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF MISSISSAUGA CHARGES:				
Current Commercial Development Charges:				
Building Permits @ 1.0% Hard Costs	\$329,753	\$329,753	\$0	\$0
Park Levy See Assumptions	\$246,114	\$246,114	\$0	\$0
Transportation Levy \$1.58 /sq. ft.	\$309,712	\$309,712	\$0	\$0
Other Services Levy \$0.21 /sq. ft.	\$41,164	\$41,164		
Hydro Levy \$0.50 /sq. ft.	\$98,010	\$98,010		
Storm Drainage Levy \$4,885.02 /acre	\$4,885	\$4,885	\$0	\$0
TOTAL CITY OF MISSISSAUGA CHARGES	\$1,029,638	\$1,029,638	\$0	\$0
REGION OF PEEL CHARGES \$1.21 /sq. ft.	\$237,184	\$237,184	\$0	\$0
SUB-TOTAL SOFT COSTS	\$6,542,870	\$6,542,870	\$0	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$39,518,165	\$39,518,165	\$0	\$0
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Construction Financing (1) @ 9.70% Effective Rate	\$4,312,420	\$4,312,420	\$0	\$0
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(1) Note: Based on 75% of Hard and Soft Costs compounded semi-annually over 18 month period)

TOTAL PROJECT COSTS	\$43,830,585	\$43,830,585	\$0	\$0
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SUMMARY CITY OF MISSISSAUGA CHARGES

Total City of Mississauga Charges	\$1,029,638
Including Region of Peel Charges	\$1,266,822
As % of Project Costs (With Region Charges)	2.9%
\$/Gross(Buildable) Sq.ft.	\$6.46

RESIDUAL LAND VALUE CITY OF MISSISSAUGA

Project Value	\$57,401,996
Project Costs	\$43,830,585
Less Developers Profit (15% of Land and Building)	\$7,487,217
Residual Land Value:	\$6,084,194
- Per Buildable Sq.ft.	\$31

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

MISSISSAUGA - CITY CENTRE
RESIDENTIAL

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condo
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	18,000				
Number of Floors	11				
Gross Zoning Area	sq.ft.	196,020	0	0	196,020
Gross Construction Area	106%	207,781	0	0	207,781
Building Efficiency (As % of G.Z.A.)	%		0%	0%	94%
Net Building Area	sq.ft.	184,259	0	0	184,259
PARKING: TOTAL REQUIRED	spaces	368	0	0	368
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	368	0	0	368

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq.ft.
Number of Residential Units 184

Assumptions

Value of Land For Analysis Purposes \$113 /sq.ft. land

\$25 /buildable sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condo
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$230
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission (Based On Capitalized Revenue)		0.0%	0.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0.00	\$2.11
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condo
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space =	300			
1 Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		0	0	2.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

✓ Current Levy: Based on 2% of land value for commercial projects and \$3,000/unit for high density residential projects.

Project Revenues

REVENUES	TOTAL	Development Type		
		Office	Retail	Res-Condominium
Lease/Sale Revenues	\$42,379,570	\$0	\$0	\$42,379,570
Parking	\$9,200,000	\$0	\$0	\$9,200,000
Gross Revenues	\$51,579,570	\$0	\$0	\$51,579,570
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$51,579,570	\$0	\$0	\$51,579,570
Capitalized Value	\$51,579,570	\$0	\$0	\$51,579,570
Less Tenant Inducements See Assumptions	\$0			
Less Sales Commission 5.0% Capital Value	(\$2,578,979)	\$0	\$0	(\$2,578,979)

PROJECT VALUE	\$49,000,591	\$0	\$0	\$49,000,591
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Project Costs

COSTS	TOTAL	Development Type		
		Office	Retail	Res-Condo
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$91,912	\$0	\$0	\$91,912
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$17,661,385	\$0	\$0	\$17,661,385
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$7,360,000	\$0	\$0	\$7,360,000
SUB-TOTAL HARD COSTS	\$25,523,297	\$0	\$0	\$25,523,297

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,276,165	\$0	\$0	\$1,276,165
Legal Fees @ 1.0% Hard Costs	\$255,233	\$0	\$0	\$255,233
Contingency @ 5.0% Hard Costs	\$1,276,165	\$0	\$0	\$1,276,165
Construction Management @ 5.0% Hard Costs	\$1,276,165	\$0	\$0	\$1,276,165
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF MISSISSAUGA CHARGES:				
Current Residential Development Charges:				
Building Permits @ 1.0% Hard Costs	\$255,233	\$0	\$0	\$255,233
Park Levy \$3,000 /unit	\$552,000	\$0	\$0	\$552,000
Transportation Levy \$1,519.35 /unit	\$279,560	\$0	\$0	\$279,560
Other Services Levy \$2,740.65 /unit	\$504,280	\$0	\$0	\$504,280
Hydro Levy \$284.00 /unit	\$52,256	\$0	\$0	\$52,256
Storm Drainage Levy \$4,885.00 /acre	\$898,840	\$0	\$0	\$898,840
TOTAL CITY OF MISSISSAUGA CHARGES	\$2,542,169	\$0	\$0	\$2,542,169
REGION OF PEEL CHARGES \$2,785.02 /unit	\$512,444	\$0	\$0	\$512,444
SUB-TOTAL SOFT COSTS	\$7,188,341	\$0	\$0	\$7,188,341

SUB-TOTAL HARD AND SOFT COSTS	\$32,711,638	\$0	\$0	\$32,711,638
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Construction Financing (1) @ 9.70% Effective Rate	\$3,569,657	\$0	\$0	\$3,569,657
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(1) Note: Based on 75% of Hard and Soft Costs compounded semi-annually over 10 month period)

TOTAL PROJECT COSTS	\$36,281,295	\$0	\$0	\$36,281,295
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SUMMARY CITY OF MISSISSAUGA CHARGES

Total City of Mississauga Charges	\$2,542,169
Including Region of Peel Charges	\$3,054,613
As % of Project Costs	8.4%
\$/Gross(Buildable) Sq.ft.	\$15.58

RESIDUAL LAND VALUE CITY OF MISSISSAUGA

Project Value	\$49,000,591
Project Costs	\$36,281,295
Less Developers Profit (15% of Land and Building)	\$6,391,381
Residual Land Value:	\$6,327,915
- Per Buildable Sq.ft.	\$32

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

NORTH YORK - CITY CENTRE
OFFICE

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condo
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	18,000				
Number of Floors	11				
Gross Zoning Area	sq.ft.	196,020	196,020	0	0
Gross Construction Area	106%	207,781	207,781	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq.ft.	184,259	184,259	0	0
PARKING: TOTAL REQUIRED	spaces	261	261	0	0
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	261	261	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq.ft.
Number of Residential Units 0

Assumptions

Value of Land For Analysis Purposes

\$225 /sq.ft.

ASSUMPTIONS	Development Type		
	Office	Retail	Res-Condo
REVENUE:			
Net Lease/Sale Rate	\$25.00	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)	\$50.00	\$0.00	\$0
Capitalization Rate	8.0%	0.0%	0.0%
Vacancy Rates	2.5%	0.0%	0.0%
COST:			
Number of Elevators Per Building - 4			
Cost Per Elevator - \$100,000			
Sales Commission (Based On Capitalized Value)	3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)	\$2.92	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)	\$100	\$0	\$0

PARKING REQUIREMENT/REVENUE		Development Type		
		Office	Retail	Res-Condo
PARKING REQUIREMENTS:				
• Parking Area - Sq.Ft. Per Space =	300			
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		750	0	0
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$3,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$4,606,475	\$4,606,475	\$0	\$0
Parking	\$783,000	\$783,000	\$0	\$0
Gross Revenues	\$5,389,475	\$5,389,475	\$0	\$0
Less Vacancy See Assumptions	(\$115,162)	(\$115,162)	\$0	\$0
Net Revenues	\$5,274,313	\$5,274,313	\$0	\$0
Capitalized Value	\$65,928,913	\$65,928,913	\$0	\$0
Less Tenant Inducements See Assumptions	(\$9,212,950)	(\$9,212,950)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$1,977,867)	(\$1,977,867)	\$0	\$0

PROJECT VALUE	\$54,738,096	\$54,738,096	\$0	\$0
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Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condo
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$127,195	\$127,195	\$0	\$0
Servicing @ \$10,000 Building	\$0	\$10,000	\$0	\$0
Building See Assumptions	\$20,778,100	\$20,778,100	\$0	\$0
Elevators \$100,000 /Elevator	\$400,000	\$400,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$5,220,000	\$5,220,000	\$0	\$0
SUB-TOTAL HARD COSTS	\$26,535,295	\$26,535,295	\$0	\$0

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,326,765	\$1,326,765	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$265,353	\$265,353	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,326,765	\$1,326,765	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,326,765	\$1,326,765	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF NORTH YORK CHARGES:				
Current Commercial Development Charges:				
Building Permits @ 1.0% Hard Costs	\$265,353	\$265,353	\$0	\$0
Parks Levy 2% of Land Value	\$196,020	\$196,020	\$0	\$0
Citywide Charge @ \$0.83 /sq.ft. G.F.A.	\$162,697	\$162,697	\$0	\$0
Yonge Centre Charge @ \$1.67 /sq.ft. G.F.A.	\$327,353	\$327,353	\$0	\$0
Sewage Impost Charge @ \$1.58 /sq.ft. G.F.A.	\$309,712	\$309,712	\$0	\$0
TOTAL CITY OF NORTH YORK CHARGES	\$1,261,135	\$1,261,135	\$0	\$0
SUB-TOTAL SOFT COSTS	\$5,197,071	\$5,197,071	\$0	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$31,732,366	\$31,732,366	\$0	\$0
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Construction Financing (1) @ 9.70% Effective Rate	\$3,462,794	\$3,462,794	\$0	\$0
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(1) Note: Based on 75% of Hard and Soft Costs compounded semi-annually over 18 month period)

TOTAL PROJECT COSTS	\$35,195,160	\$35,195,160	\$0	\$0
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SUMMARY CITY OF NORTH YORK CHARGES

Total City of North York Charges	\$1,261,135
As % of Project Costs	3.6%
\$/Gross(Buildable) Sq.ft.	\$6.43

RESIDUAL LAND VALUE CITY OF NORTH YORK

Project Value	\$54,738,096
Project Costs	\$35,195,160
Less Developers Profit (15% of Land and Building)	\$7,139,752
Residual Land Value:	\$12,403,184
- Per BuildableSq.ft.	\$63

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

NORTH YORK - CITY CENTRE
RESIDENTIAL

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	18,000				
Number of Floors	11				
Gross Zoning Area	sq.ft.	196,020	0	0	196,020
Gross Construction Area	106%	207,781	0	0	207,781
Building Efficiency (As % of G.Z.A.)	%		0%	0%	94%
Net Building Area	sq.ft.	184,259	0	0	184,259
PARKING: TOTAL REQUIRED	spaces	230	0	0	230
	Surface	spaces	0	0	0
	Structure	spaces	0	0	0
	Underground	spaces	230	0	230

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq.ft.
Number of Residential Units 184

Assumptions

Value of Land For Analysis Purposes \$225 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$245
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission (Based on Capitalized Value)		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0.00	\$2.11
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING REQUIREMENT/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING REQUIREMENTS:				
• Parking Area - Sq.Ft. Per Space = 300				
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		0	0	1.25
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects

Project Revenues

REVENUES	TOTAL	Office	Development Type	
			Retail	Res-Condominium
Lease/Sale Revenues	\$45,143,455	\$0	\$0	\$45,143,455
Parking	\$5,750,000	\$0	\$0	\$5,750,000
Gross Revenues	\$50,893,455	\$0	\$0	\$50,893,455
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$50,893,455	\$0	\$0	\$50,893,455
Capitalized Value	\$50,893,455	\$0	\$0	\$50,893,455
Less Sales Commission 5.0% Capital Value	(\$2,544,673)	\$0	\$0	(\$2,544,673)

PROJECT VALUE	\$48,348,782	\$0	\$0	\$48,348,782
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Project Costs

COSTS	TOTAL	Office	Development Type	
			Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$91,912	\$0	\$0	\$91,912
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$17,661,385	\$0	\$0	\$17,661,385
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$4,600,000	\$0	\$0	\$4,600,000
SUB-TOTAL HARD COSTS	\$22,763,297	\$0	\$0	\$22,763,297

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,138,165	\$0	\$0	\$1,138,165
Legal Fees @ 1.0% Hard Costs	\$227,633	\$0	\$0	\$227,633
Contingency @ 5.0% Hard Costs	\$1,138,165	\$0	\$0	\$1,138,165
Construction Management @ 5.0% Hard Costs	\$1,138,165	\$0	\$0	\$1,138,165
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF NORTH YORK CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$227,633	\$0	\$0	\$227,633
Parks Levy 5% of Land Value	\$490,050	\$0	\$0	\$490,050
Citywide Charge @ \$1,399 /unit	\$257,416	\$0	\$0	\$257,416
Yonge Centre Charge @ \$1,669 /unit	\$307,096	\$0	\$0	\$307,096
Sewage Impost Fee @ \$1.58 /sq.ft.	\$309,712	\$0	\$0	\$309,712
TOTAL CITY OF NORTH YORK CHARGES	\$1,591,907	\$0	\$0	\$1,591,907
SUB-TOTAL SOFT COSTS	\$4,974,323	\$0	\$0	\$4,974,323

SUB-TOTAL HARD AND SOFT COSTS	\$27,737,620	\$0	\$0	\$27,737,620
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Construction Financing (1) @ 9.70% Effective Rate	\$3,026,868	\$0	\$0	\$3,026,868
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(1) Note: Based on 75% of Hard and Soft Costs compounded semi-annually over 18 month period)

TOTAL PROJECT COSTS	\$30,764,488	\$0	\$0	\$30,764,488
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SUMMARY OF CITY OF NORTH YORK CHARGES

Total City of North York Charges	\$1,591,907
As % of Project Costs	5.2%
\$/Gross(Buildable) Sq.ft.	\$8.12

RESIDUAL LAND VALUE CITY OF NORTH YORK

Project Value	\$48,348,782
Project Costs	\$30,764,488
Less Developers Profit (15% of Land and Building)	\$6,306,363
Residual Land Value:	\$11,277,931
- Per Buildable Sq.ft.	\$58

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

SCARBOROUGH - CITY CENTRE
OFFICE

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condo
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	18,000				
Number of Floors	11				
Gross Zoning Area	sq. ft.	196,020	196,020	0	0
Gross Construction Area	106%	207,781	207,781	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq. ft.	184,259	184,259	0	0
PARKING: TOTAL REQUIRED	spaces	547	547	0	0
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	547	547	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq.ft.
Number of Residential Units 0

Assumptions

Value of Land For Analysis Purposes \$113 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condo
REVENUE:				
Net Lease/Sale Rate		\$20.00	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)		\$40.00	\$0.00	\$0
Capitalization Rate		8.0%	0.0%	0.0%
Vacancy Rates		2.5%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission (Based On Capitalized Value)		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$2.92	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$100	\$0	\$0

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condo
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		359	0	0.0
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$3,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land value cash-in-lieu for residential projects and 2% for commercial projects

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$3,685,180	\$3,685,180	\$0	\$0
Parking	\$1,641,000	\$1,641,000	\$0	\$0
Gross Revenues	\$5,326,180	\$5,326,180	\$0	\$0
Less Vacancy See Assumptions	(\$92,130)	(\$92,130)	\$0	\$0
Net Revenues	\$5,234,050	\$5,234,050	\$0	\$0
Capitalized Value	\$65,425,625	\$65,425,625	\$0	\$0
Less Tenant Inducements See Assumptions	(\$7,370,360)	(\$7,370,360)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$1,962,769)	(\$1,962,769)	\$0	\$0

PROJECT VALUE	\$56,092,496	\$56,092,496	\$0	\$0
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Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condo
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$127,195	\$127,195	\$0	\$0
Servicing @ \$10,000 Building	\$10,000	\$10,000	\$0	\$0
Building See Assumptions	\$20,778,100	\$20,778,100	\$0	\$0
Elevators \$100,000 /Elevator	\$400,000	\$400,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$10,940,000	\$10,940,000	\$0	\$0
SUB-TOTAL HARD COSTS	\$32,255,295	\$32,255,295	\$0	\$0

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,612,765	\$1,612,765	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$322,553	\$322,553	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,612,765	\$1,612,765	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,612,765	\$1,612,765	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF SCARBOROUGH CHARGES:				
Current Commercial Development Charges:				
Building Permits @ 1.0% Hard Costs	\$322,553	\$322,553	\$0	\$0
Parks Levy 2% Land Value Cash-In-Lieu	\$98,446	\$98,446	\$0	\$0
City Charge @ \$0.79 /sq.ft.	\$154,856	\$154,856	\$0	\$0
SPUC Charge @ \$0.51 /sq.ft.	\$99,970	\$99,970	\$0	\$0
TOTAL CITY OF SCARBOROUGH CHARGES	\$675,825	\$675,825	\$0	\$0
SUB-TOTAL SOFT COSTS	\$5,836,673	\$5,836,673	\$0	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$38,091,968	\$38,091,968	\$0	\$0
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Construction Financing (1) @ 9.70% Effective Rate	\$4,156,786	\$4,156,786	\$0	\$0
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(1) Note: Based on 75% of Hard and Soft Costs compounded semi-annually over 18 month period)

TOTAL PROJECT COSTS	\$42,248,754	\$42,248,754	\$0	\$0
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SUMMARY CITY OF SCARBOROUGH CHARGES

Total City of Scarborough Charges	\$675,825
As % of Project Costs	1.6%
\$/Gross(Buildable) Sq.ft.	\$3.45

RESIDUAL LAND VALUE CITY OF SCARBOROUGH

Project Value	\$56,092,496
Project Costs	\$42,248,754
Less Developers Profit (15% of Land and Building)	\$7,316,413
Residual Land Value:	\$6,527,329
- Per Buildable Sq.ft.	\$33

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

SCARBOROUGH - CITY CENTRE
RESIDENTIAL

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condo
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	18,000				
Number of Floors	11				
Gross Zoning Area	sq.ft.	196,020	0	0	196,020
Gross Construction Area	106%	207,781	0	0	207,781
Building Efficiency (As % of G.Z.A.)	%		0%	0%	94%
Net Building Area	sq.ft.	184,259	0	0	184,259
PARKING: TOTAL REQUIRED	spaces	184	0	0	184
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	184	0	0	184

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq.ft.
Number of Residential Units 184

Assumptions

Value of Land For Analysis Purposes \$113 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condo
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$210
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission (Based On Capitalized Value)		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0.00	\$2.11
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condo
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
1 Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		0	0	1.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects

Project Revenues

REVENUES	TOTAL	Development Type		
		Office	Retail	Res-Condominium
Lease/Sale Revenues	\$38,694,390	\$0	\$0	\$38,694,390
Parking	\$4,600,000	\$0	\$0	\$4,600,000
Gross Revenues	\$43,294,390	\$0	\$0	\$43,294,390
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$43,294,390	\$0	\$0	\$43,294,390
Capitalized Value	\$43,294,390	\$0	\$0	\$43,294,390
Less Sales Commission 5.0% Capital Value	(\$2,164,720)	\$0	\$0	(\$2,164,720)

PROJECT VALUE	\$41,129,670	\$0	\$0	\$41,129,670
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Project Costs

COSTS	TOTAL	Development Type		
		Office	Retail	Res-Condo
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$91,912	\$0	\$0	\$91,912
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$17,661,385	\$0	\$0	\$17,661,385
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$3,680,000	\$0	\$0	\$3,680,000
SUB-TOTAL HARD COSTS	\$21,843,297	\$0	\$0	\$21,843,297

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,092,165	\$0	\$0	\$1,092,165
Legal Fees @ 1.0% Hard Costs	\$218,433	\$0	\$0	\$218,433
Contingency @ 5.0% Hard Costs	\$1,092,165	\$0	\$0	\$1,092,165
Construction Management @ 5.0% Hard Costs	\$1,092,165	\$0	\$0	\$1,092,165
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF SCARBOROUGH CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$218,433	\$0	\$0	\$218,433
Parks Levy 5% Land Value Cash-In-Lieu	\$246,114	\$0	\$0	\$246,114
City Charge @ \$2,616 /unit	\$481,344	\$0	\$0	\$481,344
SPUC Charge @ \$252 /unit	\$46,368	\$0	\$0	\$46,368
TOTAL CITY OF SCARBOROUGH CHARGES	\$992,259	\$0	\$0	\$992,259
SUB-TOTAL SOFT COSTS	\$4,537,187	\$0	\$0	\$4,537,187

SUB-TOTAL HARD AND SOFT COSTS	\$26,380,484	\$0	\$0	\$26,380,484
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Construction Financing (1) @ 9.70% Effective Rate	\$2,878,770	\$0	\$0	\$2,878,770
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(1) Note: Based on 75% of Hard and Soft Costs compounded semi-annually over 18 month period)

TOTAL PROJECT COSTS	\$29,259,254	\$0	\$0	\$29,259,254
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SUMMARY CITY OF SCARBOROUGH CHARGES

Total City of Scarborough Charges	\$992,259
As % of Project Costs	3.4%
\$/Gross(Buildable) Sq.ft.	\$5.06

RESIDUAL LAND VALUE CITY OF SCARBOROUGH

Project Value	\$41,129,670
Project Costs	\$29,259,254
Less Developers Profit (15% of Land and Building)	\$5,364,740
Residual Land Value:	\$6,505,676
- Per Buildable Sq.ft.	\$33

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

FINANCIAL DISTRICT - BAY/KING
OFFICE 8x DENSITY

SITE AREA: 43,560 (sq.ft.) 1.00 (acres) DENSITY 8.00

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	15,000				
Number of Floors	23				
Gross Zoning Area	sq. ft.	348,480	348,480	0	0
Gross Construction Area	106%	369,389	369,389	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq. ft.	327,571	327,571	0	0
PARKING: TOTAL REQUIRED	spaces	108	108	0	0
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	108	108	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq. ft.
Number of Residential Units 0

Assumptions

Assumed Land Value For Analysis \$700 /sq.ft. \$88 /buildable sq. ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$30.61	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)		\$61.22	\$0.00	\$0
Capitalization Rate		7.5%	0.0%	0.0%
Vacancy Rates		2.5%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 5				
Cost Per Elevator - \$100,000				
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$2.92	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$120	\$0	\$0

PARKING ASSUMPTION/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
1 Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		3,228	0	0.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$4,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
✓ Cityplan '91: n/a

Project Revenues

REVENUES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
Lease/Sale Revenues	\$10,026,948	\$10,026,948	\$0	\$0
Parking	\$432,000	\$432,000	\$0	\$0
Gross Revenues	\$10,458,948	\$10,458,948	\$0	\$0
Less Vacancy See Assumptions	(\$250,674)	(\$250,674)	\$0	\$0
Net Revenues	\$10,208,274	\$10,208,274	\$0	\$0
Capitalized Value	\$136,110,320	\$136,110,320	\$0	\$0
Less Tenant Inducements See Assumptions	(\$20,053,897)	(\$20,053,897)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$4,083,310)	(\$4,083,310)	\$0	\$0
PROJECT VALUE	\$111,973,113	\$111,973,113	\$0	\$0

Project Costs

COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$127,195	\$127,195	\$0	\$0
Servicing @ \$10,000 Building	\$10,000	\$10,000	\$0	\$0
Building See Assumptions	\$44,326,680	\$44,326,680	\$0	\$0
Elevators \$100,000 /Elevator	\$500,000	\$500,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$2,160,000	\$2,160,000	\$0	\$0
SUB-TOTAL HARD COSTS	\$47,123,875	\$47,123,875	\$0	\$0
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$2,356,194	\$2,356,194	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$471,239	\$471,239	\$0	\$0
Contingency @ 5.0% Hard Costs	\$2,356,194	\$2,356,194	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$2,356,194	\$2,356,194	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$471,239	\$471,239	\$0	\$0
Park's Levy @ 2% of Land Value	\$609,840	\$609,840	\$0	\$0
Sewage Impost Fee \$0.70 /sq. ft.	\$243,936	\$243,936	\$0	\$0
TOTAL CITY OF TORONTO CHARGES	\$1,325,015	\$1,325,015	\$0	\$0
SUB-TOTAL SOFT COSTS	\$8,864,836	\$8,864,836	\$0	\$0
SUB-TOTAL HARD AND SOFT COSTS	\$55,988,711	\$55,988,711	\$0	\$0
Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$5,142,393	\$5,142,393	\$0	\$0
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$1,289,834	\$1,289,834	\$0	\$0
Total Construction Financing	\$6,432,227	\$6,432,227	\$0	\$0
TOTAL PROJECT COSTS	\$62,420,938	\$62,420,938	\$0	\$0

(1) Note: Based on 75% of costs.

RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$111,973,113
Project Costs	\$62,420,938
Less Developers Profit (15% of Land and Building)	\$14,605,189
Residual Land Value:	\$34,946,986
- Per Buildable Sq.ft.	\$100.28

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES				Development Type			
				TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS				\$47,123,875	\$47,123,875	\$0	\$0
SOFT COSTS:							
Arch & Engineering Fees @	5.0%	Hard Costs		\$2,356,194	\$2,356,194	\$0	\$0
Legal Fees @	1.0%	Hard Costs		\$471,239	\$471,239	\$0	\$0
Contingency @	5.0%	Hard Costs		\$2,356,194	\$2,356,194	\$0	\$0
Construction Management @	5.0%	Hard Costs		\$2,356,194	\$2,356,194	\$0	\$0
CITY OF TORONTO CHARGES:							
Current Development Charges:							
Building Permits @	1.0%	Hard Costs		\$471,239	\$471,239	\$0	\$0
Park's Levy @	2% of Land Value			\$609,840	\$609,840	\$0	\$0
Sewage Impost Fee	\$0.70 /sq. ft.			\$243,936	\$243,936	\$0	\$0
CITYPLAN '91 Charges and Additional Costs:							
Housing Linkage Fee @	\$10 /sq. ft. Gross			\$3,484,800	\$3,484,800	\$0	\$0
Public Art Levy @	1.0% \$ Construction			\$0	\$0	\$0	\$0
Public Parks Levy @	See Assumptions			\$0	\$0	\$0	\$0
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS				\$3,484,800	\$3,484,800	\$0	\$0
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91)				\$4,809,815	\$4,809,815	\$0	\$0
SUB-TOTAL SOFT COSTS				\$12,349,636	\$12,349,636	\$0	\$0
SUB-TOTAL HARD AND SOFT COSTS				\$59,473,511	\$59,473,511	\$0	\$0
Construction Financing:							
Hard Costs 18 months (1) @	9.70% Effective Rate			\$5,142,393	\$5,142,393	\$0	\$0
Soft Costs 24 months (1) @	9.70% Effective Rate			\$1,796,872	\$1,796,872	\$0	\$0
Total Construction Financing				\$6,939,265	\$6,939,265	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$66,412,776	\$66,412,776	\$0	\$0
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CITYPLAN CHARGES:

As % of Total Project Costs	5.2%
\$ Per Sq.Ft. of Gross Buildable Area	\$10

Project Value	\$111,973,113
Project Costs	\$66,412,776
Less Developers Profit (15% of Land and Building)	\$14,605,189
Residual Land Value:	\$30,955,148
- Per Buildable Sq.ft.	\$88.83

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

CENTRAL AREA - OUTSIDE FINANCIAL DISTRICT - BAY/COLLEGE - SMALL SITE
RESIDENTIAL CONDOMINIUM 7.8x DENSITY

SITE AREA: 43,560 (sq.ft.) 1.00 (acres) DENSITY 7.80

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	15,000				
Number of Floors	23				
Gross Zoning Area	sq.ft.	339,768	0	0	339,768
Gross Construction Area	106%	360,154	0	0	360,154
Building Efficiency (As % of G.Z.A.)	%		94%	94%	94%
Net Building Area	sq.ft.	319,382	0	0	319,382
PARKING: TOTAL REQUIRED		spaces	338	0	338
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	338	0	0	338

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq.ft.
Number of Residential Units 319

Assumptions

Value Of Land For Calculation of Levy \$350 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$232
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0	\$3.66
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		3,228	1,076	1.06
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

- ✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
- ✓ Cityplan '91: Based on 1 acre land dedication per 1,348 units or cash-in-lieu equivalent.

Project Revenues

REVENUES	TOTAL	Office	Development Type	
			Retail	Res-Condominium
Lease/Sale Revenues	\$74,096,624	\$0	\$0	\$74,096,624
Parking	\$8,450,000	\$0	\$0	\$8,450,000
Gross Revenues	\$82,546,624	\$0	\$0	\$82,546,624
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$82,546,624	\$0	\$0	\$82,546,624
Capitalized Value	\$82,546,624	\$0	\$0	\$82,546,624
Less Tenant Inducements See Assumptions	\$0	\$0	\$0	\$0
Less Sales Commission 5.0% Capital Value	(\$4,127,331)	\$0	\$0	(\$4,127,331)

PROJECT VALUE	\$78,419,293	\$0	\$0	\$78,419,293
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Project Costs

COSTS	TOTAL	Office	Development Type	
			Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$159,430	\$0	\$0	\$159,430
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$30,613,090	\$0	\$0	\$30,613,090
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$6,760,000	\$0	\$0	\$6,760,000
SUB-TOTAL HARD COSTS	\$37,942,520	\$0	\$0	\$37,942,520

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,897,126	\$0	\$0	\$1,897,126
Legal Fees @ 1.0% Hard Costs	\$379,425	\$0	\$0	\$379,425
Contingency @ 5.0% Hard Costs	\$1,897,126	\$0	\$0	\$1,897,126
Construction Management @ 5.0% Hard Costs	\$1,897,126	\$0	\$0	\$1,897,126
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$379,425	\$0	\$0	\$379,425
Park's Levy @ 5% of Land Value	\$762,300	\$0	\$0	\$762,300
Sewage Impost Fee @ \$0.70 /sq. ft. G.F.A.	\$237,838	\$0	\$0	\$237,838
TOTAL CITY OF TORONTO CHARGES	\$1,379,563	\$0	\$0	\$1,379,563
SUB-TOTAL SOFT COSTS	\$7,500,366	\$0	\$0	\$7,500,366

SUB-TOTAL HARD AND SOFT COSTS	\$45,442,886	\$0	\$0	\$45,442,886
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Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$4,140,477	\$0	\$0	\$4,140,477
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$1,091,303	\$0	\$0	\$1,091,303
Total Construction Financing	\$5,231,780	\$0	\$0	\$5,231,780

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$50,674,666	\$0	\$0	\$50,674,666
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$78,419,293
Project Costs	\$50,674,666
Less Developers Profit (15% of Land and Building)	\$10,228,603
Residual Land Value:	\$17,516,024
- Per Buildable Sq.ft.	\$51.55

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$37,942,520	\$0	\$0	\$37,942,520
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,897,126	\$0	\$0	\$1,897,126
Legal Fees @ 1.0% Hard Costs	\$379,425	\$0	\$0	\$379,425
Contingency @ 5.0% Hard Costs	\$1,897,126	\$0	\$0	\$1,897,126
Construction Management @ 5.0% Hard Costs	\$1,897,125	\$0	\$0	\$1,897,125
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$379,425	\$0	\$0	\$379,425
Park's Levy - Cityplan Parks Levy Only	\$0	\$0	\$0	n/a
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$237,838	\$0	\$0	\$237,838
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$0	\$0	\$0	\$0
Public Art Levy @ 1.0% \$ Construction	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$3,607,918	\$0	\$0	\$3,607,918
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$3,607,918	\$0	\$0	\$3,607,918
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91)	\$4,225,181	\$0	\$0	\$4,225,181
SUB-TOTAL SOFT COSTS	\$10,345,984	\$0	\$0	\$10,345,984
SUB-TOTAL HARD AND SOFT COSTS	\$48,288,504	\$0	\$0	\$48,288,504
Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$4,140,477	\$0	\$0	\$4,140,477
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$1,505,341	\$0	\$0	\$1,505,341
Total Construction Financing	\$5,645,818	\$0	\$0	\$5,645,818
(1) Note: Based on 75% of costs.				
TOTAL PROJECT COSTS	\$53,934,322	\$0	\$0	\$53,934,322

CITYPLAN CHARGES:		
As % of Total Project Costs		6.7%
\$ Per Sq.Ft. of Gross Buildable Area		\$11

Project Value	\$78,419,293
Project Costs	\$53,934,322
Less Developers Profit (15% of Land and Building)	\$10,228,603
Residual Land Value:	\$14,256,368
- Per Buildable Sq.ft.	\$47.96

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

CENTRAL AREA - OUTSIDE FINANCIAL DISTRICT - BAY/COLLEGE - SMALL SITE
RESIDENTIAL CONDOMINIUM 7.8x DENSITY

SITE AREA:

43,560 (sq.ft.)

1.00 (acres)

DENSITY

4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	0%	0%	100%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	15,000				
Number of Floors	13				
Gross Zoning Area	sq.ft.	196,020	0	0	196,020
Gross Construction Area	106%	207,781	0	0	207,781
Building Efficiency (As % of G.Z.A.)	%		94%	94%	94%
Net Building Area	sq.ft.	184,259	0	0	184,259
PARKING: TOTAL REQUIRED	spaces	195	0	0	195
Surface	spaces	0	0	0	0
Structure	spaces	0	0	0	0
Underground	spaces	195	0	0	195

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 1,000 sq.ft.
Number of Residential Units 184

Assumptions

Value Of Land For Calculation of Levy \$350 /sq.ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$0.00	\$0.00	\$285
Tenant Inducements (Per Sq.Ft.)		\$0.00	\$0.00	\$0
Capitalization Rate		0.0%	0.0%	0.0%
Vacancy Rates		0.0%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Sales Commission		3.0%	3.0%	5.0%
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$0.00	\$0	\$2.11
Building Costs (Per Gross Construction Sq.Ft.)		\$0	\$0	\$85

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space =	300			
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		3,228	1,076	1.06
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$0	\$0	\$25,000

PARK LEVY:

- ✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
- ✓ Cityplan '91: Based on 1 acre land dedication per 1,348 units or cash-in-lieu equivalent.

Project Revenues

REVENUES	TOTAL	Office	Development Type	
			Retail	Res-Condominium
Lease/Sale Revenues	\$52,513,815	\$0	\$0	\$52,513,815
Parking	\$4,875,000	\$0	\$0	\$4,875,000
Gross Revenues	\$57,388,815	\$0	\$0	\$57,388,815
Less Vacancy See Assumptions	\$0	\$0	\$0	\$0
Net Revenues	\$57,388,815	\$0	\$0	\$57,388,815
Capitalized Value	\$57,388,815	\$0	\$0	\$57,388,815
Less Tenant Inducements See Assumptions	\$0	\$0	\$0	\$0
Less Sales Commission 5.0% Capital Value	(\$2,869,441)	\$0	\$0	(\$2,869,441)

PROJECT VALUE	\$54,519,374	\$0	\$0	\$54,519,374
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Project Costs

COSTS	TOTAL	Office	Development Type	
			Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$91,912	\$0	\$0	\$91,912
Servicing @ \$10,000 Building	\$10,000	\$0	\$0	\$10,000
Building See Assumptions	\$17,661,385	\$0	\$0	\$17,661,385
Elevators \$100,000 /Elevator	\$400,000	\$0	\$0	\$400,000
Parking:				
Surface \$2,000 /space	\$0	\$0	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$3,900,000	\$0	\$0	\$3,900,000
SUB-TOTAL HARD COSTS	\$22,063,297	\$0	\$0	\$22,063,297

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,103,165	\$0	\$0	\$1,103,165
Legal Fees @ 1.0% Hard Costs	\$220,633	\$0	\$0	\$220,633
Contingency @ 5.0% Hard Costs	\$1,103,165	\$0	\$0	\$1,103,165
Construction Management @ 5.0% Hard Costs	\$1,103,165	\$0	\$0	\$1,103,165
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$220,633	\$0	\$0	\$220,633
Park's Levy @ 5% of Land Value	\$762,300	\$0	\$0	\$762,300
Sewage Imposit Fee @ \$0.70 /sq.ft. G.F.A.	\$137,214	\$0	\$0	\$137,214
TOTAL CITY OF TORONTO CHARGES	\$1,120,147	\$0	\$0	\$1,120,147
SUB-TOTAL SOFT COSTS	\$4,700,275	\$0	\$0	\$4,700,275

SUB-TOTAL HARD AND SOFT COSTS	\$26,763,572	\$0	\$0	\$26,763,572
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Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$2,407,657	\$0	\$0	\$2,407,657
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$683,890	\$0	\$0	\$683,890
Total Construction Financing	\$3,091,547	\$0	\$0	\$3,091,547

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$29,855,119	\$0	\$0	\$29,855,119
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$54,519,374
Project Costs	\$29,855,119
Less Developers Profit (15% of Land and Building)	\$7,111,223
Residual Land Value:	\$17,553,032
- Per Buildable Sq.ft.	\$89.55

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$22,063,297	\$0	\$0	\$22,063,297
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,103,165	\$0	\$0	\$1,103,165
Legal Fees @ 1.0% Hard Costs	\$220,633	\$0	\$0	\$220,633
Contingency @ 5.0% Hard Costs	\$1,103,165	\$0	\$0	\$1,103,165
Construction Management @ 5.0% Hard Costs	\$1,103,165	\$0	\$0	\$1,103,165
Res. Administration/Setup Fee \$50,000 /Res. Building	\$50,000	\$0	\$0	\$50,000
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$220,633	\$0	\$0	\$220,633
Park's Levy - Cityplan Parks Levy Only	\$0	\$0	\$0	n/a
Sewage Impost Fee @ \$0.70 /sq. ft. G.F.A.	\$137,214	\$0	\$0	\$137,214
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq. ft. Gross	\$0	\$0	\$0	\$0
Public Art Levy @ 1.0% \$ Construction	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$2,081,056	\$0	\$0	\$2,081,056
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$2,081,056	\$0	\$0	\$2,081,056
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91	\$2,438,903	\$0	\$0	\$2,438,903
SUB-TOTAL SOFT COSTS	\$6,019,031	\$0	\$0	\$6,019,031
SUB-TOTAL HARD AND SOFT COSTS	\$28,082,328	\$0	\$0	\$28,082,328
Construction Financing:				
Hard Costs 18 months (1) @ 9.70% Effective Rate	\$2,407,657	\$0	\$0	\$2,407,657
Soft Costs 24 months (1) @ 9.70% Effective Rate	\$875,769	\$0	\$0	\$875,769
Total Construction Financing	\$3,283,426	\$0	\$0	\$3,283,426

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$31,365,754	\$0	\$0	\$31,365,754
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CITYPLAN CHARGES:

As % of Total Project Costs	6.6%
\$ Per Sq.Ft. of Gross Buildable Area	\$11

Project Value	\$54,519,374
Project Costs	\$31,365,754
Less Developers Profit (15% of Land and Building)	\$7,111,223
Residual Land Value:	\$16,042,397
- Per Buildable Sq.ft.	\$81.84

DEVELOPMENT AREA -
DEVELOPMENT TYPE -

CENTRAL AREA - OUTSIDE FINANCIAL DISTRICT - BAY/COLLEGE
OFFICE 4.5x DENSITY

SITE AREA: 43,560 (sq.ft.) 1.00 (acres) DENSITY 4.50

Building Description

Description		Development Type			
		TOTAL	Office	Retail	Res-Condominium
COMPOSITION OF DEVELOPMENT		100%	100%	0%	0%
BUILDING INFORMATION:					
Floor Plate (in sq.ft.)	15,000				
Number of Floors	13				
Gross Zoning Area	sq. ft.	196,020	196,020	0	0
Gross Construction Area	106%	207,781	207,781	0	0
Building Efficiency (As % of G.Z.A.)	%		94%	0%	0%
Net Building Area	sq. ft.	184,259	184,259	0	0
PARKING: TOTAL REQUIRED	spaces	61	61	0	0
Surface	spaces	61	61	0	0
Structure	spaces	0	0	0	0
Underground	spaces	0	0	0	0

RESIDENTIAL ASSUMPTIONS:

Average Unit Size 0 sq. ft.
Number of Residential Units 0

Assumptions

Value Of Land For Analysis \$350 /sq. ft.

ASSUMPTIONS		Development Type		
		Office	Retail	Res-Condominium
REVENUE:				
Net Lease/Sale Rate		\$28.29	\$0.00	\$0
Tenant Inducements (Per Sq.Ft.)		\$56.58	\$0.00	\$0
Capitalization Rate		8.0%	0.0%	0.0%
Vacancy Rates		2.5%	0.0%	0.0%
COST:				
Number of Elevators Per Building - 4				
Cost Per Elevator - \$100,000				
Landscaping Costs (Per Sq. Ft. Of Site Area)		\$2.92	\$0.00	\$0.00
Building Costs (Per Gross Construction Sq.Ft.)		\$100	\$0	\$0

PARKING ASSUMPTIONS/REVENUE		Development Type		
		Office	Retail	Res-Condominium
PARKING ASSUMPTIONS:				
• Parking Area - Sq.Ft. Per Space = 300				
Space Per sq.ft. (Comm.) or /Space per Unit (Res.)		3,228	0	0.00
PARKING REVENUE:				
Surface	/space	\$0	\$0	\$0
Structure	/space	\$0	\$0	\$0
Underground	/space	\$4,000	\$0	\$0

PARK LEVY:

✓ Current Levy: Based on 5% of land cash-in-lieu for residential projects and 2% for commercial projects
✓ Cityplan '91: n/a

Project Revenues

REVENUES	TOTAL	Office	Development Type	
			Retail	Res-Condominium
Lease/Sale Revenues	\$5,212,687	\$5,212,687	\$0	\$0
Parking	\$0	\$0	\$0	\$0
Gross Revenues	\$5,212,687	\$5,212,687	\$0	\$0
Less Vacancy 2.5%	(\$130,317)	(\$130,317)	\$0	\$0
Net Revenues	\$5,082,370	\$5,082,370	\$0	\$0
Capitalized Value	\$63,529,625	\$63,529,625	\$0	\$0
Less Tenant Inducements \$57 /sq.ft.	(\$10,502,763)	(\$10,502,763)	\$0	\$0
Less Sales Commission 3.0% Capital Value	(\$1,905,889)	(\$1,905,889)	\$0	\$0

PROJECT VALUE	\$51,120,973	\$51,120,973	\$0	\$0
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Project Costs

COSTS	TOTAL	Office	Development Type	
			Retail	Res-Condominium
HARD COSTS:				
Demolition and Soils @ \$0 /acre	\$0	\$0	\$0	\$0
Landscaping @ See Assumptions	\$127,195	\$127,195	\$0	\$0
Servicing @ \$10,000 Building	\$10,000	\$10,000	\$0	\$0
Building See Assumptions	\$20,778,100	\$20,778,100	\$0	\$0
Elevators \$100,000 /Elevator	\$400,000	\$400,000	\$0	\$0
Parking:				
Surface \$2,000 /space	\$122,000	\$122,000	\$0	\$0
Structure \$0 /space	\$0	\$0	\$0	\$0
Underground \$20,000 /space	\$0	\$0	\$0	\$0
SUB-TOTAL HARD COSTS	\$21,437,295	\$21,437,295	\$0	\$0

SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,071,865	\$1,071,865	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$214,373	\$214,373	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,071,865	\$1,071,865	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,071,865	\$1,071,865	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$214,373	\$214,373	\$0	\$0
Park's Levy @ 2% of Land Value	\$304,920	\$304,920	\$0	\$0
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$137,214	\$137,214	\$0	\$0
TOTAL CITY OF TORONTO CHARGES	\$656,507	\$656,507	\$0	\$0
SUB-TOTAL SOFT COSTS	\$4,086,475	\$4,086,475	\$0	\$0

SUB-TOTAL HARD AND SOFT COSTS	\$25,523,770	\$25,523,770	\$0	\$0
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Construction Financing:				
Hard Costs 12 months (1) @ 9.70% Effective Rate	\$1,559,563	\$1,559,563	\$0	\$0
Soft Costs 18 months (1) @ 9.70% Effective Rate	\$445,937	\$445,937	\$0	\$0
Total Construction Financing	\$2,005,500	\$2,005,500	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$27,529,270	\$27,529,270	\$0	\$0
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RESIDUAL LAND VALUE WITHOUT CITYPLAN '91 CHARGES

Project Value	\$51,120,973
Project Costs	\$27,529,270
Less Developers Profit (15% of Land and Building)	\$6,667,953
Residual Land Value:	\$16,923,750
- Per Buildable Sq.ft.	\$86.34

RESIDUAL LAND VALUE WITH CITYPLAN '91 CHARGES

CITYPLAN '91 CHARGES AND ADDITIONAL COSTS	Development Type			
	TOTAL	Office	Retail	Res-Condominium
SUB-TOTAL HARD COSTS	\$21,437,295	\$21,437,295	\$0	\$0
SOFT COSTS:				
Arch & Engineering Fees @ 5.0% Hard Costs	\$1,071,865	\$1,071,865	\$0	\$0
Legal Fees @ 1.0% Hard Costs	\$214,373	\$214,373	\$0	\$0
Contingency @ 5.0% Hard Costs	\$1,071,865	\$1,071,865	\$0	\$0
Construction Management @ 5.0% Hard Costs	\$1,071,865	\$1,071,865	\$0	\$0
Res. Administration/Setup Fee \$50,000 /Res. Building	\$0	\$0	\$0	\$0
CITY OF TORONTO CHARGES:				
Current Development Charges:				
Building Permits @ 1.0% Hard Costs	\$214,373	\$214,373	\$0	\$0
Park's Levy @ 2% of Land Value	\$304,920	\$304,920	\$0	\$0
Sewage Impost Fee @ \$0.70 /sq.ft. G.F.A.	\$137,214	\$137,214	\$0	\$0
CITYPLAN '91 Charges and Additional Costs:				
Housing Linkage Fee @ \$10 /sq.ft. Gross	\$1,960,200	\$1,960,200	\$0	\$0
Public Art Levy @ 1.0% \$ Construction	\$0	\$0	\$0	\$0
Public Parks Levy @ See Assumptions	\$0	\$0	\$0	\$0
TOTAL CITYPLAN CHARGES AND ASSOCIATED COSTS	\$1,960,200	\$1,960,200	\$0	\$0
TOTAL CITY OF TORONTO CHARGES (INCLUDING CITYPLAN '91	\$2,616,707	\$2,616,707	\$0	\$0
SUB-TOTAL SOFT COSTS	\$6,046,675	\$6,046,675	\$0	\$0
SUB-TOTAL HARD AND SOFT COSTS	\$27,483,970	\$27,483,970	\$0	\$0
Construction Financing:				
Hard Costs 12 months (1) @ 9.70% Effective Rate	\$1,559,563	\$1,559,563	\$0	\$0
Soft Costs 18 months (1) @ 9.70% Effective Rate	\$659,843	\$659,843	\$0	\$0
Total Construction Financing	\$2,219,406	\$2,219,406	\$0	\$0

(1) Note: Based on 75% of costs.

TOTAL PROJECT COSTS	\$29,703,376	\$29,703,376	\$0	\$0
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CITYPLAN CHARGES:		
As % of Total Project Costs	6.6%	
\$ Per Sq.Ft. of Gross Buildable Area	\$10.00	

Project Value	\$51,120,973
Project Costs	\$29,703,376
Less Developers Profit (15% of Land and Building)	\$6,667,953
Residual Land Value:	\$14,749,644
- Per Buildable Sq.ft.	\$75.25